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S. Hrg. 99-270, Pt. 2

THE FEDERAL-AID HIGHWAY PROGRAM

MF109 ORIGINAL

FIELD HEARINGS

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION

OF THE

COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE

NINETY-NINTH CONGRESS

FIRST SESSION

AUGUST 29, 1985—BOISE, ID
SEPTEMBER 28, 1985—COUR D'ALENE, ID

PART 2

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I

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THE FEDERAL-AID HIGHWAY PROGRAM

THURSDAY, AUGUST 29, 1985

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
SUBCOMMITTEE ON TRANSPORTATION,
Boise, ID.

The subcommittee met, at 10:10 a.m., in the gold room, Idaho State Capitol Building, Boise, ID, Hon. Steve Symms (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. STEVE SYMMS, U.S. SENATOR FROM THE STATE OF IDAHO

Senator SYMMS. Good morning. The Subcommittee on Transportation will now proceed with the hearing on the reauthorization of the Federal-Aid Highway Program.

I have a very brief statement I wish to make and then we will get to our extensive witness list. I want to say at the outset that there may be people here today that want to testify but did not get on the list, I'll try to reserve some time at the end of the meeting for those people to comment on the Federal Highway Program.

First, I would like to introduce the committee counsel, Jean Lauver, who is with the Senate Environment and Public Works Committee in Washington.

We have Paulette Hansen, who works for the minority on the committee who hails from North Dakota, and then Taylor Bowlden, on my immediate left, who's on my personal staff. Taylor is from Cascade.

I am pleased to welcome all of you to our hearing today in Boise. The purpose of this hearing is to listen to your concerns about the Federal-Aid Highway Program. The subcommittee held 4 days of hearings during July in Washington, DC, on the Highway Program I think it is important to give the Western States, and particularly Idaho, an opportunity to comment on issues important to them.

The most urgently needed legislation right now is the approval of the interstate cost estimate [ICE]. I was very happy that the Senate Environment and Public Works Committee reported out S. 1514 on July 29, which approves the ICE, and the Senate immediately passed it on July 30. I hope the House will pass S. 1514 as soon as Congress returns in September so that these interstate construction funds which are already authorized, and which have already been paid for by highway users can be given to the States on October 1 of this year. This ICE approval will give Idaho $29.5 million for interstate construction work. The ICE approval will make over

$5 billion available to all the States for interstate construction, interstate substitution and minimum allocation projects.

After that legislation is completed, the Subcommittee on Transportation will turn its attention to legislation to reauthorize the Federal-Aid Highway Program. The program is now authorized through September 30, 1986.

The Surface Transportation Assistance Act of 1982 provided over $57 billion for highway projects. In fiscal year 1985 over $14 billion in Federal highway funds will be obligated. This is a record level of spending for the program, approximately twice the fiscal year 1982 level.

Even so, we know that estimates of needed highway investments run much higher. For example, the newly released Department of Transportation report to Congress—"The Status of the Nation's Highways"—estimates annual costs at between $18 and $34 billion, depending on service levels. The American Association of State Highway and Transportation Officials in their recent report—"A New Focus for America's Highways"—estimates that $26 to $30 billion will be needed per year.

These are sound, even conservative estimates. However, with our massive Federal budget deficit and other fiscal restraints, the revenues available for Federal-aid highway spending are going to be limited. The Federal-aid highway program is funded entirely by highway user fees so the amount spent in the program is limited to the amount of highway user fees collected into the highway trust fund. In order to prevent deficit spending in this program, the so-called Byrd amendment requires that authorizations for the program cannot exceed revenues.

We are at the place now where authorization levels cannot be increased without triggering the Byrd amendment. I do not believe that an increase in Federal highway user taxes would be appropriate at this time. So in spite of the still growing needs for highway construction and rehabilitation, there is a limit to what the Federal Government can provide.

The 1982 act was a turning point for the Highway Program. It recognized that the capital investment was in place and the responsibility was shifted toward maintaining and rebuilding the highway system. Population growth and shifts are still occurring which means some new highways and additional capacity must be built. But this cannot be done at the expense of the existing system or those regions which have a slower growth rate. This is a nation of interdependent States and regions and the needs of all areas must be balanced. Agricultural and manufactured products must be moved to cities and, in most cases, this is done by using the highway network. The Highway Program has been a successful national program and I believe if it is going to continue to be successful, it cannot lose its national character. The program must not penalize those States which have low density populations, but which have many miles of road to maintain.

What kind of transportation system will serve the needs of this great country in the 1990's? This is the question we will try to answer during the reauthorization of the Federal-Aid Highway Program.

With growing highway needs and scarce resources, I am particularly concerned about Federal requirements which have increased costs to the program. These included such requirements as Davis-Bacon, Buy America, and Disadvantaged Business Enterprise. If these requirements serve a useful purpose, their additional costs should be funded by general revenues and not the highway trust fund.

Also of concern is the growing diversion of highway user fees to support other programs such as transit and the production of gasohol. Again, if such programs are of national benefit, other means of financing them should be found.

I am also alarmed over the increasing use of the threat of highway sanctions if States don't implement and enforce certain programs such as the 55-mile-per-hour speed limit and a minimum drinking age of 21. I don't believe the Highway Program should be held hostage in this way. In the particular area of setting speed limits and drinking ages, I believe the States are in the best position to determine what is best for them.

Let me conclude by saying that witnesses have been asked to address any or all of the following issues:

One, the ability of States with small populations and large areas to raise sufficient revenues for highway needs;

Two, the Federal Lands Highway Program;

Three, the 55-mile-per-hour speed limit;

Four, diversion of highway user fees for nonhighway purposes;

Five, the condition and needs of roads in agricultural areas;

Six, completion of the Interstate Highway System;

Seven, responsibilities of the Federal, State, and local governments;

Eight, alternative methods of financing highway construction including toll financing;

Nine, review of the apportionment formulas; and

Ten, any other issues regarding the Federal Highway Program.

Again, I am very pleased to be here and I look forward to hearing from our witnesses today.

For the benefit of all the people that are here, I want to take just 1 minute and have Taylor explain what these two graphs up here are for.

Mr. BOWLDEN. The graph on your right shows the difference between what Idaho's highway users contribute to the highway trust fund through their gasoline taxes.

This is around $40 million in 1979; it dropped down a little bit in 1981 and has been increasing since the 1982 Surface Transportation Assistance Act.

Senator SYMMS. So we're contributing $45 million approximately.

Mr. BOWLDEN. Right. This line shows what Idaho receives from the highway trust fund for highway improvements, and it shows that we have been receiving approximately $2, since 1981, for every dollar that we contribute to the highway trust fund. So it's just to indicate how we, in our State, do in terms of the highway trust fund.

In the graph on your left, the yellow lines show what Idaho's highway needs are for each of these years. These needs estimates were supplied by the State department of transportation.

The green lines show what percent or the amount of needs met through Federal highway dollars. The red shows what percentage of needs are met.

We see that the interstate and interstate 4R moneys are met at a hundred percent, and each of the other highway categories are met at a somewhat reduced percentage. So even though we are receiving about twice what we put into the highway trust fund, we still have a considerable amount of highway needs unmet in Idaho, and we'll be looking to do better.

Senator SYMMS. OK. Thank you very much. I would like to ask all the witnesses to be as direct as you can and make the points you wish to make. I would like everyone to be heard and the long witness list may pose a time problem. So, if the witnesses will limit themselves to five minutes, we will put their entire statements in the record. I will mention that occasionally.

I'm delighted to welcome the Honorable Richard Eardley, mayor of the city of Boise as our first witness this morning. Welcome to the committee, Dick.

STATEMENT OF HON. RICHARD R. EARDLEY, MAYOR, BOISE, ID

Mayor EARDLEY. Good morning, Mr. Chairman. Thank you. I didn't realize I was going to be first, but I thank you for that.

I am Dick Eardley, mayor of the city of Boise. It's a pleasure to have you in our capital city, and I appreciate the opportunity to address some of the key issues facing us in the transportation area.

While Senator Symms, in his letter of notification of this hearing, indicated the committee has an interest in our thoughts on ten different items, I am going to address only those most pertinent to Boise and other portions of the state.

First and foremost, I think, is the early passage of a clean interstate cost estimate. This is essential to carry out projects of vital importance to us, including a portion of the much-needed Chinden-Broadway connector in Boise. This particular project has been on the drawing board for years and is now all but ready for construction following a great deal of cooperative work efforts by the State transportation department, the Ada County Highway District, and Boise City.

The project is of prime importance to the future development and proper growth of this city. It's my understanding that failure to get early passage of a clean interstate cost estimate would jeopardize this project as well as cause disruptions to other state highway programs in Idaho. For these reasons, I urge your strongest efforts to accomplish this goal.

Next I would like to speak to the difficulties that states with large land areas and small populations have in meeting their highway needs. Idaho is obviously one of those States, and that leads into two areas of concern as outlined in Senator Symms' letter.

One is the desirability of a State-administered block grant program which would make the State responsible for design standards and would eliminate State matching requirements. Such a block grant program should protect distributions to all low population States so that none receives less than it has been receiving under the various Federal aid programs.

In the same vein, a change in the 4R apportionment formula to give more weight to population and or gasoline/diesel use would obviously penalize a State like Idaho. We have many, many miles of both interstate and primary and secondary roads, but a much smaller population over which to spread the costs. Yet those roads and highways are as important to Idaho residents and others traveling through the State as road networks elsewhere. They are an economic necessity of life for both rural and urban areas of the State and any change in distribution formulas to reward larger populations could have a serious, if not catastrophic, impact on a State like Idaho.

This is already apparent in the diversion of money to the Mass Transit Account, where Idaho pays in more than $4 million but receives back only about $250,000. We would prefer to see a minimum base set for each State, with flexibility built into the program to allow for uses other than transit, if other local needs are more pressing.

In Boise, we could obviously use more transit funds to help keep alive a bus system that is hurting because of a lack of ability to raise our own funds. Still, there are other portions of the State where road needs may be greater than transit needs, and the State should have the availability of more of the Mass Transit Account to help satisfy those needs as well as the transit needs of the larger cities.

And finally, I would like to speak for just a minute about the 55 miles per hour limit and the Federal sanctions that go with it. I personally have no problem with the speed limit, though it seems unreasonably low in western States where the miles are long and the stops are few. I do have a problem with Federal sanctions that would cripple the highway programs of a State or a locality if such a mandatory limit is not met.

With safety features now an integral part of both highway and vehicle designs, State conditions, including accident rates, should be given more consideration. If States cannot be given the responsibility for setting their own speed limits, sanctions from the Federal level should either be eliminated or revised to take into account other considerations.

Thanks you, Mr. Chairman. I appreciate the opportunity to testify before you.

Senator SYMMS. Thank you very much, Mayor, for being here. I just have a question or two that I wanted to ask you. I was able to get an amendment in the ICE bill last year that actually funded 50 percent of the Chinden connector which I think is projected to be a $15-million project. That means that there would have to be $7.5 million brought in from State, local, or other sources. Do you think if we can do that well again in next year's highway bill, that the necessary State and local funds would be available?

Mayor EARDLEY. Under the funding mechanisms that the highway district in the State is limited to now, it may be difficult. But certainly I know the highway district, the city of Boise are pooling their resources as best as possible to provide that kind of funding. The more we can get from the Federal level, the better off we are.

Senator SYMMS. I believe we're making some headway now in the purchase of right-of-way so we're starting down the road. If we can get some of the costs out of the way in advance, maybe then we could do better than the 50 percent.

It's unfortunate. I think we passed that twice through the Senate but we've had a constant feud with the House on the number of demonstration projects, as they call them, that are put in. In addition to the formula, last year the bill was so out of balance it almost had as much money in it for demonstration projects as it had for the formula projects. Finally it just brought itself down with its own weight and we were unable it get it into law.

Do you have any idea how many accidents in the Boise area are caused primarily because of speed?

Mayor **Eardley**. I couldn't give you that figure today, Senator. I could certainly get it from our police department. They do keep such statistics.

Senator **Symms**. I'd be interested in that because Senator Hecht from Nevada and I have been promoting legislation that would allow the States to at least have the flexibility to go raise the speed limit to 65 if they wanted to, which is probably closer to what most people are driving anyway.

From what I see on the interstates—and I'm not talking about the interstate in Idaho—all you have to do is get on Highway 95 starting south of the Nation's Capital and before you get to the beltway, if you stay in the right lane and drive 55, everybody is passing you. So they don't observe the speed limit much better in any other parts of the country. Where the roads are engineered for 70 and the automobiles are engineered for 70, people have a tendency to crowd it all the time.

Mayor **Eardley**. I certainly think in Idaho the statistics I've seen would indicate that more of the highway accidents, interstate-type accidents are caused by factors other than speed.

Senator **Symms**. Well, thank you very much. We appreciate your testimony. We will take it under consideration.

The next witness is Hon. Jim Risch, the president pro tem of the Idaho State Senate.

STATEMENT OF HON. JAMES E. RISCH, PRESIDENT PRO TEM, IDAHO SENATE

Senator **Risch**. Thank you very much for taking the time to allow us to come in here and talk for a few minutes about some of these things. Originally I had about 30 minutes devoted to each of those nine points, but inasmuch as you wanted us to get this down a little bit, I'm going to talk about one particular aspect that is important.

Senator **Symms**. Since you've cut it down from 30 minutes, I promise you I'll listen carefully to your most important issue.

Senator **Risch**. I want to talk for just a few moments about the proposed Broadway-Chinden connector, and I'm going to give you the short version of the couple of pages that I have given to you. But this project is extremely important to Boise. It's important to the valley, it's important to Idaho. Nineteen percent of all of the people of Idaho live in this metropolitan area. And it's not only important to those people, but Boise is the hub of business and government in Idaho, and it's important that we be able to move traffic through and around this city.

With the present system that we have we're not able to do that. It is badly outdated, and this project is a No. 1 priority in southwestern Idaho.

The plans that can solve this traffic flow problem are already drawn and are ready for action. Transportation Department officials tell me they're already appraising property and negotiating purchase of right of way along the proposed route. They believe that work can begin very soon if the bill is approved in the Congress that will allow this funding.

I urge, and I think people from Boise urge, that you pass this so-called clean highway legislation. It's extremely important to us.

Let me say that I fully appreciate what you have said as the highest priority being a balanced budget and reducing the Federal deficit. Certainly I know you sincerely believe that, and at least some Members of Congress give lip service to that.

Be that as it may, in Idaho when we operate in the State legislature, we have limited funds and we have to set priorities and work our way down those priorities until our funds are gone. The only reason I bring this up is I know there's going to be a push and there should be a push to balance the budget and to decrease the Federal deficit. My only point is this project should receive an extremely high priority when you do that. It is a project that is way overdue and a project that will certainly help the transportation system in Boise. Thank you.

Senator SYMMS. Thank you very much. I would ask you as the leader in the Senate, what do you think the response is going to be in the Idaho Legislature—or maybe you wouldn't care to speculate on that—of the sanction on the drinking age? That's an $8 million question mark, isn't it?

Senator RISCH. Well, I think it is, but I really separate the two issues of what I would call blackmail from the Federal Government, and the drinking issue. The two of them are both emotional issues. They're difficult to resolve by themselves. When you intertwine the two, they're impossible to resolve.

As much as anyone, I am absolutely opposed to the Federal Government telling us that you have to do this before you'll receive any money. On the other hand, I think that the increase in the drinking age is something that is going to come with or without the Federal blackmail.

The bill in the session before last was one vote in a committee away from becoming law. It passed the house very handily. It came to the Senate; the votes in the senate were there to pass it. It got held up in the State affairs committee on a tie vote of five to five. I really believe that's coming.

When they put the statistics in front of you, they are very frightening. I think the 21-year-old drinking law is coming to Idaho.

I think that that issue is totally and absolutely separate from the issue of whether or not we should have our highway funds withheld if we don't pass it. I think that the States should have the opportunity to say yes or no to the law as we see fit without the intervention of the Federal Government.

Senator SYMMS. Let's just say for some reason the legislature chooses not to pass it, does that put you in a position of asking the taxpayers of Idaho to pay a fuel tax of 2 cents a gallon more, approximately, to make up the $8 million?

Senator RISCH. Steve, I really don't think so. The Federal Government has tried the blackmail on us for years with highway funds with the safety inspection, with the helmet law, and all those types of things, and they have not been very successful in court defending that position. So my feeling would be that that probably isn't going to make much difference. I suppose there might be a harder push when it comes to the 21-year-old drinking age.

Senator SYMMS. I know the senior Senator from Idaho, Senator McClure, made quite an eloquent argument on the Senate floor based on constitutional separation of police powers defending the right of the States to set their own drinking age law, not arguing about the issue whether it was right or wrong, but arguing that constitutionally it was a taking away of States' rights to run their own affairs.

I happen to share his point of view on that. I resent the blackmail. I'm on the finance committee also which deals with the funding side of the highway program. This committee allocates the money, but the finance committee raises it. There have been different highway user groups who have come to me and said we'd like to ask you to move in the finance committee to extend the trust fund on past 1990.

My response has been that until we get the formula passed in 1986, we want to be sure that it's something that we want to extend, until we know how many restrictions the Federal Government imposes, like Davis-Bacon, minority business, and all down this list of things that are costly expenditures of highway dollars.

Maybe they're very good, justifiable social goals like the drinking age, but they are an imposition on the Federal Highway Trust Fund and an imposition on the States' ability to run their own highway department. They can take care of their own business. That's your responsibility as I see it.

Senator RISCH. I think I can say in speaking for the vast majority of the legislature we would support that position a 100 percent. We think we can run this State somewhat capably.

Senator SYMMS. Well, one thing about it, the Federal Government hasn't got a good track record when it comes to fiscal responsibility to show as an example to the States.

Senator RISCH. Whenever they talk about it, I always stand up on the floor and say, If you think this is a good bill, you'll appreciate what the Federal Government has done with our Social Security System.

Senator SYMMS. Thank you very much, Jim. Appreciate your testimony.

The next witness is Mr. Gene Thomas, cochairman of the steering committee for Uptown Boise. Gene Thomas is seeing more of me today than he can take since we met earlier this morning.

Welcome to the committee, Gene. Glad to have you here.

STATEMENT OF EUGENE THOMAS, COCHAIRMAN, STEERING COMMITTEE, UPTOWN BOISE

Mr. THOMAS. Thank you, Senator. I appreciate the opportunity to be here, and through you I thank the subcommittee for allowing us a few moments to address these important issues today.

Uptown Boise, let me say for the record, is an informal group of about 450 people and businesses here in Boise. The businesses that belong to the group are well known to many of you here. They are some of the principal home office companies that are situated in Boise, the downtown businesses, small businesses and large alike. And the individuals, Senator, that belong to this group come from all the neighborhoods, all the age groups and different clusters and clips of citizens that make up this community.

We are focused on what is in the public interest for the best service of the citizens of the community of greater Boise. The subject of highway funding and highway projects is high on the priority list of this area.

The people of Boise realize that there are those in New York and Los Angeles that may sense an unfairness to the disproportionate amount of money that goes into Idaho highways from Idaho sources compared with Federal sources. But if those same people lived here in Boise, they would know in the first place that there is something about a capital city in the Western United States that has a character of being like an oasis in a large region which has to serve the people throughout thousands and thousands of square miles.

It would help, for example, the people in Boston, MA to realize that the State of Idaho is larger than the entirety of New England, that the people here don't simply benefit from a Federal Highway Program. They, in addition to being beneficiaries, disproportionately support it. Because this highway system that comes through southern Idaho is as critical to the people in Boston and San Francisco as it is to the people of this State, it is something that the people of this State are doing to contribute to a great Nation, a nation that will not survive in crisis without good transportation, will not survive in ordinary day-to-day commerce and sound economy without good transportation.

And so it is that the Uptown Boise group, looking at this issue from the perspective of an individual who lives here, would point out that funding of the Chinden-Broadway connector or indeed the funds necessary to complete the north-south highway so that you can really drive to Cascade in a normal fashion are uniquely appropriate charges of Government and are uniquely appropriate burdens of our Federal Government.

As a conservative in political matters and fiscal matters, I share with you the principles you have enunciated, Senator Symms, and I think as a conservative, however, it is appropriate that we also speak out strongly and unequivocally when a project is the sort that the Government does exist for, and a highway system throughout America is uniquely appropriate and sound as a Federal project.

And people living in Boise wish through this committee to speak to their friends and fellow citizens across America that this highway system through southern Idaho is critical to America. And I might submit that in times of war and in times of international crisis, perhaps that critical role extends beyond our national boundaries.

The trucks, the transportation that people must move, we have congestion here in this heartland location of the Boise area, and we're akin to or might be likened to a very valuable citizen who has congestion in his heart and requires urgent and immediate attention and priority attention. There is congestion in this Boise area with this traffic, and in a crisis this transportation system will be in jeopardy in this region if it isn't helped.

So high priority is owed it whether you live in Boston or Boise. Funding is appropriately Federal whether you live in Boise or New York, and the priority is such that we must acknowledge the elementary fact that the people who live in these sparcely populated areas simply don't have the resources to build and maintain the kind of system that is essential to America.

So we ask that the Chinden-Broadway priority be maintained and other similar Idaho programs be maintained, Senator. We ask that there be a national view of this and that the high priority of Federal funding be recognized and maintained. We ask that conservatives and liberals alike speak out for the proposition that this is the kind of thing that a nation is formed together for to do, and we the people must have this highway system. It's what taxes are for and about, and we at Boise hope, sir; that the Senate committee and that your subcommittee in particular will support and be successful in fighting the battle for these projects.

Senator SYMMS. Thank you very much, Gene, for a very excellent statement. You remind me of what my late Uncle Doyle Symms used to say when he was on the Idaho Highway Commission and chairman of that commission, that as far as a matter of personal freedom is concerned, there is no program more than the Federal and State Highway Programs and local and county highway programs for that matter, too, that expand people's personal freedom and mobility than what we have in this marvelous highway system. It is the interstate highway and defense system, and people forget that that's the original name of the bill when President Eisenhower engineered it through the Congress. His purpose was to set up a system to enable equipment to move back and forth across the country in times of crisis. But in terms of personal liberty, there is no country in the world that offers the opportunities that people have in this country to get in their automobile and drive where they wish without having to meet anybody else's schedule but their own if they can afford to buy the fuel. And I think it often is overlooked.

It's the only program the Federal Government has where we pay for these things in advance. The money is in the trust fund. We have a constant struggle in the budget process to spend it because the OMB Directors, whether they be Republicans or Democrats, always want to save a little in the trust fund; it makes the deficit look less. It's a constant struggle.

I think we've got a good, ongoing Highway Program, not without some problems. You make some good points for me to use when this discussion starts, between people in Pennsylvania and New

York and New Jersey who want more of this money diverted for urban uses.

Using this chart, you can see how well we've done since 1981, that we've got a formula that was largely negotiated by the members of this subcommittee. Myself and Senators Domenici, Bentsen, Burdick, and others debated with the House at great lengths in the middle of the night in 1982 and argued over the formula. We've done pretty well, but, of course, they'll come right back and use this same chart against me in the debate and say you're getting more than your share.

But your point is that the Idaho constituent is also helping fund the Westway project in New York City which is extremely expensive and it's an urban renewal project in many ways.

Mr. THOMAS. Senator, the people in New York City must have a north-south highway system in Idaho, and the people in Los Angeles must have an interstate Federal highway system across, east to west, southern Idaho. We are shouldering a disproportionate share of that obligation. And they need, as we need, these Idaho Federal highways. It's easy to lose sight of that if you've never been out of Brooklyn, but the potatoes that come into Brooklyn didn't grow in Manhattan.

Thank you, Senator.

Senator SYMMS. Thank you very much. Appreciate your testimony.

The next witness is Hon. Jack Kennevick, majority leader of the Idaho State House of Representatives. Welcome to the committee, coach.

If anybody wonders why I call him coach, he used to be my football coach at Marsing High School. We don't care to say how long ago, right?

Representative KENNEVICK. I was just going to say, Senator, that 31 years ago I think we were doing something that we would enjoy a little bit more than what we're doing here. We were having two-a-days. And you still look like you could play that strong side tackle that you played then.

Senator SYMMS. I don't know whether I could or not. I'll tell you one thing. I could use the two-a-days, though.

STATEMENT OF HON. JACK C. KENNEVICK, MAJORITY LEADER, IDAHO HOUSE OF REPRESENTATIVES

Representative KENNEVICK. I'm glad that you're holding this meeting this morning because it gives me an opportunity to add my support to your efforts to obtain funding for southwest Idaho's No. 1 priority, that being the transportation project, the Broadway-Chinden connector.

As majority leader of the house of representatives and as a representative of a district here in Boise, I know the importance of the Broadway-Chinden connector to Boise and to Idaho.

The issue is simple: it's movement of traffic within the capital city of Idaho. Our transportation department verifies what almost any Boise motorist can tell you, that the key thoroughfares like the one-way couplet of Fairview Avenue and Main Street are already overloaded. Each of these two streets carry nearly 35,000 vehicles a day.

The traffic volume has virtually doubled since 1965 but now there's an additional factor complicating the traffic flow problem, redevelopment of downtown Boise.

The Boise Chinden connector would have been critically important to downtown Boise had the proposed regional mall been located here, but now that the regional mall will be located in the suburbs with downtown developed with a heavier mix of office space, we will need a connector more than ever. The increased 8 a.m. to 5 p.m. office work force will only add to the already jammed rush hour traffic Boise is experiencing.

By the year 2000 the transportation department estimates 70,000 vehicles a day will travel the proposed connector from the Overland extension to 23d Street.

I know you understand the magnitude of our traffic problem here, Senator, and I hope that you can convey to your fellow committee members the problems Boise faces as this traffic volume grows even worse.

But if traffic flow is an easy issue to identify, solving it is much more difficult because the solution will require millions of scarce dollars. And as a State legislator I certainly understand funding problems of this nature, but Boise's traffic problems have reached the point where a solution must be found for the good of the people of the city and of the State.

For that reason I would urge Congress to pass a clean interstate cost estimate bill. Funding for the State's share of the Broadway-Chinden connector from the Orchard extension down to 23d Street already is included in the ICE legislation, and for the section from 23d to Broadway will have to be appropriated from the urban highway development program.

The people of Idaho will appreciate your help in obtaining the funds to help uncork our traffic flow bottlenecks.

And Senator, once again I thank you for the opportunity to appear before you and hope that you can convey our message to your people back in Washington.

Senator SYMMS. Thank you very much for a very direct statement, Jack. I appreciate you being here.

Representative KENNEVICK. Thank you, Senator.

Senator SYMMS. Thank you.

The next group of witnesses we will have as a panel; Mr. Dean Tisdale, director and chief executive officer of the Idaho Department of Transportation. Dean, welcome to the committee. Joining him on the panel will be Mr. A.E. Stone, director of the Nevada Department of Transportation.

Dean, you're first on the list. We'll hear from you.

STATEMENT OF E. DEAN TINSDALE, DIRECTOR, IDAHO TRANSPORTATION DEPARTMENT

Mr. TISDALE. Well, we'd certainly like to welcome you back to Idaho, Mr. Chairman, and also members of the staff.

I am Dean Tisdale, director of the transportation department. I'm speaking on behalf of Gov. John Evans and also the Idaho

Transportation Board. We're very pleased that you are holding this hearing in Boise and we certainly welcome this opportunity to present our views on the future of the Federal-Aid Highway Program.

In our statement you'll find that we are supportive of many of the formal positions adopted by the National Governors Association and also the American Association of State Highway and Transportation Officials.

I have identified 10 areas of specific concern that I'd like to briefly describe and which I'll be happy to discuss in more depth if time permits.

Our first concern is the need for the adoption of an interstate cost estimate, and we certainly applaud this committee's action in originating Senate bill 1514.

A second area of concern is repeated attempts within Congress to modify the interstate 4R formula. We believe the existing formula considers both the extent of the system and the intensity of its use. Most of the proposed revisions do neither. Certainly statewide fuel consumption and population do not relate to interstate travel and should not be used as factors in the interstate 4R apportionments.

Third, we support proposals to merge the interstate 4R and primary programs providing the distribution formula keeps each State's apportionment at approximately current levels. For Idaho a new single program would provide a better opportunity to allocate highway funding resources to areas of greatest needs. I think that point is illustrated on the chart which you have with you that shows our interstate 4R funding needs are being met but our primary needs are only about 30 percent.

Fourth, we are concerned about the current trend toward diverting highway user revenues to programs entirely foreign to the purposes for which the highway trust fund was established, and just two examples: transfer of $1.2 billion of Federal fuel tax revenues to the mass transit account and proposed legislation to significantly increase the Federal per gallon fuels tax for the purpose of reducing the Federal deficit.

Fifth, we support AASHTO's recommendation for a State administered block grant for projects on the current Federal aid secondary and urban systems and also off-system bridges and highway safety. However, if that is done, we believe that no State should receive less than what it is presently receiving under the several Federal aid programs.

Sixth, the cost of replacing or rehabilitating bridges on the Federal aid systems now total over $24 billion. At the rate of $2 billion a year annual authorizations, it's obviously going to take many years to adequately address all identified bridge needs. For that reason, we would certainly support increased authorizations for the bridge program.

Seventh, we would like to see retained the present blended forest highway distribution formula for fiscal years 1985 and 1986 which recognizes national forest land area and land value. We believe the new formula overemphasizes recreational usage and generally disregards land area and value.

We also support increasing the forest highway program but we oppose increasing it at the expense of the public lands highway program which I believe is proposed by the Federal Highway Administration.

Eighth, any new highway legislation should eliminate all Federal fuel tax exemptions for alcohol fuels because of their drain on the highway trust fund. All vehicles contribute to highway deterioration, and to exclude gasohol fuel vehicles from paying their fair share is not consistent with the pay-as-you-go concept.

Ninth, presently Idaho pays approximately $4.4 million into the mass transit account and it receives back only $250,000. We believe this is an unreasonable distribution of the mass transit funds to Idaho. We support a formula distribution from the mass transit funds that would provide a more reasonable return and a guarantee that no State would receive less than the one-half of 1 percent minimum allocation.

Senator SYMMS. How much would that give us? Do you happen to have that number?

Mr. TISDALE. One-half of 1 percent would give us about $6 million, Senator.

Senator SYMMS. So even a quarter of 1 percent would be a big improvement?

Mr. TISDALE. Yes, sir. It certainly would.

Senator SYMMS. Thank you. Go ahead.

Mr. TISDALE. Item 10, we believe that if a national speed limit is retained, Federal sanction regulations should be eliminated or at least revised because they bear no relationship to accident histories, speed enforcement, or relative safety conditions on different highway systems within the State.

In closing, our greatest and most immediate concern is approval of that interstate cost estimate prior to October 1. Early passage is essential to avoid severe disruptions to the State highway program and could result in extended delays and increased costs to the interstate and other highway projects.

Mr. Chairman, that concludes my oral statement. I'd be happy to respond to questions.

Senator SYMMS. Thank you very much. Why don't you stay right there if you have time and we'll hear from Mr. Stone, and then I'll ask both of you some questions that will be pertinent to both States.

We welcome you to Boise and are glad that you could take the time to come up from Nevada, Mr. Stone. Go right ahead.

STATEMENT OF A.E. STONE, DIRECTOR, NEVADA DEPARTMENT OF TRANSPORTATION

Mr. STONE. Mr. Chairman, my name is Al Stone. I'm director of the Nevada Department of Transportation and the president of the Western Association of State Highway Officials. This is the 16 Western States that are bordered on the east by the Dakotas and Wyoming, Colorado, and Texas, and on the west by California, Washington, Oregon, including Alaska, and Hawaii.

I'm testifying today on behalf of WASHTO as well as my own great State of Nevada. It certainly gives me great pleasure to respond to the many issues that were requested in your letter which I feel are the most important issues that are with the Western

States today. In fact, I could say that in your opening remarks you made at least 95 percent of my testimony which I certainly appreciate.

Nevada, like Idaho and most other Western States, are large in area and small in population and we have very little tax base.

Senator SYMMS. How much land does the Federal Government own in Nevada, 88 percent?

Mr. STONE. I gave you a map of the State of Nevada which shows that the Federal Government owns, in Nevada, 85.2 percent of the entire State. Local and State government own 2 percent, which leaves 13 percent of the entire State in private ownership. These are the people that pay the taxes in Nevada.

Senator SYMMS. It's an interesting point, but I talked to Senator Rudman from New Hampshire which is a State that has similar highway needs to a State like Idaho. Although it's much smaller, it's not a densely populated State. I asked him how the economy was coming in New Hampshire and he said, It's great. I said, how much unemployment have you got? He said, 2 percent unemployment in the State of New Hampshire. I said, how much Federal land is there? He said, less than one-half of 1 percent.

The States that have all this Federal ownership are struggling with their economies. Nevada really has a problem. Anybody that thinks they've got problems with the Federal Government, should take their hats off to Nevada. Idaho is in the 60 percent level.

Mr. STONE. Certainly we are not looking for a free ride. We tax ourselves among the highest in the whole Nation. We have a 13 cent State tax and a 5-cent local option tax for a total of 18 cents per gallon. Adding the 9 cents for the Federal Government, that's 27 cents per gallon that Nevada taxpayers pay for each gallon of gas.

Senator SYMMS. Twenty-seven cents?

Mr. STONE. Yes.

Senator SYMMS. Would you mind if I ask, Dean, how does it compare with Idaho?

Mr. TISDALE. Senator, Idaho is at 14½ cents plus the 9 cent Federal which would bring us up to 23½ cents. We do not have a local option tax in Idaho.

Senator SYMMS. But we're at 23½ cents and we're paying 14 so we're in there making a big contribution also.

Go ahead. I'm sorry to interrupt you.

Mr. STONE. OK. I am just hitting the high points of my testimony if that's all right with you?

Senator SYMMS. Certainly. Your entire statement is part of our record.

Mr. STONE. Nevada, like most Western States, is a bridge State from the west coast to the eastern part of the country. On Interstate 80, which originates or starts in San Francisco, goes via Chicago to New York, Nevada has to maintain 412 miles of that vital interstate facility. That is more mileage than is in the State of California, the State of Illinois, and the State of New York. However, under the House bill which is 3129, if that should pass through Congress, that would take $14 million per year away from Nevada and increase it in California, Illinois, and New York which has less mileage than we do.

I really feel and I think it's a very important role of the Federal Government to protect the entire Federal transportation system, and I don't feel that a State like ours with such a small tax base would have any opportunity of taking care of a facility such as Interstate 80 without Federal aid, and an appropriate amount of Federal aid.

I, too, recommend strongly that there be no change in the existing formula. WASHTO for at least the last 4 years has had a resolution and recommendation that the formula not only maintain the lane miles portion of the formula that exists today, but to increase today's 55 percent factor for lane miles to 60 percent factor. Again, we recommend if that's not possible, please don't change the existing formula.

Senator SYMMS. I agree with you on that. We had a donnybrook of a fight over that, and settled for 55 and much to the chagrin of several of us from the intermountain region. Montana and Nevada particularly were hurt, and it's not good in Idaho and Utah, but I think that's a very critical part of any new highway legislation. We cannot give on those formulas or we're really putting the Western States in jeopardy.

Mr. STONE. I certainly agree with that.

Senator SYMMS. Fortunately the ranking member of the subcommittee is from North Dakota so that strengthens our argument. They have the same problem.

Mr. STONE. I'd like to speak a little on the 55 mile per hour, and first up front I'd like to say WASHTO nor AASHTO really has an approved policy that the 55 mile is good or bad, and, of course, they don't have an approved policy that any other speed is good or bad.

State highway officials throughout the Nation are now, and must continue to be, concerned with safety and I really believe we are. Our goal is to eliminate injuries, fatalities, property damage.

But I also believe that one of the great things that's happened with the 55-mile-per-hour speed limit, that it has tended to eliminate the speed spread. A great number of accidents are caused by a wide range of speed spread like from 40 miles per hour to 85. This causes weaving, changing lanes, and increases accidents.

I certainly feel that I can't defend the 55. I think in my own opinion that 60 or 65 as suggested by yourself and Senator Hecht will more than likely work just as well, if not better. I feel we'll get better compliance and a decrease in that spread of speed and actually reduce accidents in the end. This is my own personal opinion.

Certainly WASHTO opposes any funding sanctioning because of speed. We find this to be counterproductive when we are trying to work on safety projects and all of a sudden you take money away and then there's not enough money to do the safety projects to decrease accidents in the first place.

We have a policy in WASHTO, the 16 Western States, that penalties for violation of enforcement of the national speed limit should be eliminated. Instead, incentive grants for meeting and exceeding the enforcement goals should be created. And we feel very strongly about this.

Again, I think an individual State should and does have the expertise to set its own speed limit. I know in Nevada in order to change the speed limit, it requires an engineering study of the particular section of the highway. Once this study is complete, I make a recommendation to my transportation board which consists of the Governor, the attorney general, and the State controller. If they accept that recommendation, then and only then can we make a speed change.

And I think this is a professional way of going about each section of the highway for establishing the speed. And I really feel that we know more about our own roads in our own States than some arbitrary number that's set by a bureaucrat in the District of Columbia.

To speak a little bit about the future of the Federal-Aid Highway Program, I believe earlier the president of WASHTO, the president and also the director of the Minnesota Department of Highways, has spoken to your committee and did give you a copy of the report that we made. We feel and we do in WASHTO support this report. One of the reasons is that the chairman of this committee—and there were many people that worked on this report throughout the country—but the chairman was Dean and my counterpart in Oregon, who is Fred Miller, and we feel that we have an awful lot of input in that future highway report for the Western States.

Of the 45 recommendations in the report outline, a concensus on the direction of the Highway Program, what it should take, I would like to emphasize just a few of these. We support very strongly the effort to complete the interstate and by the same definition that it has today.

We would like to continue the Interstate 4R Program with adequate funding, continue and significantly increase emphasis for primary highway systems, much of which badly needs additional funding, continue the Existing Highway Bridge Replacement Program, continue the Categorical Program of addressing highway safety, Federal lands highways, and emergency relief. I really feel that the Federal Lands Highways Program is very important to the West, although it's a very small program nationally, only $50 million, that we all compete for those funds.

The Emergency Relief Program is probably more important for a State like mine, Idaho, Montana. When we have a disaster, we don't have the backup budget to really improve whatever the disaster may have disrupted or caused, and I think the emergency relief probably should be increased because this certainly can put a tremendous strain on our entire system.

Senator SYMMS. Does your testimony say where you think the cap ought to be?

Mr. STONE. No, I did not, but I do feel that probably the $200 million, $250 million should be adequate.

Mr. Chairman, let me digress for a moment to thank the committee for your efforts in establishing independence of the highway trust fund in the Federal budgetary process. We hope that congress will ultimately support the concept of the trust fund to the same extent that you have and you have gotten out of your committee.

Also, let me thank you for the recent help in getting the clean ICE through the Senate. We certainly appreciate that, and if we can lobby the House to do the same thing by October 1, it will be a tremendous help.

Senator, I trust these comments will be of use to the committee, and I certainly appreciate the opportunity to speak for WASHTO and the State of Nevada.

Senator SYMMS. Thank you very much. I appreciate your testimony as well as Dean's. I particularly appreciate not only the cooperation that I've received as chairman of this subcommittee from the Idaho Department of Transportation throughout the last 5 years but also from WASHTO. I think that your contributions have helped the Senate make the argument.

Senators tend to be more in favor of the WASHTO positions because of the lower numbers and the fact that the small population states have equal representation in the Senate. You have been very helpful to us in our quest for information to enable us to make informed decisions.

I have a few questions that I want to bring up. You mentioned the speed limit question with respect to safety. I've always been in favor of allowing the States to set the speed limit because I've always felt that these highways were engineered for speeds of 65 or 70 miles an hour and so were automobiles. The entire transportation network is geared to that, and then we arbitrarily, because of fuel scarcity, cut the speed down. Now the safety question comes up.

But specifically getting into the question of safety. We've got two teenage daughters at home, my wife thinks 55 is fast enough for people to drive. I'm not sure she thinks it's fast enough for her, but she certainly thinks it's fast enough for her two teen-age daughters. I think that's a typical response that we have to reckon with in the Congress, people are just adamantly opposed to changing it.

What percentage of the accidents are speed-related? And of those, how much over 55 were they driving? Then from a WASHTO point of view, see if his answer fits in with what happens in Nevada, Utah, California, and other Western States.

Mr. TISDALE. Senator, I'm going to hedge a little bit because I'm not sure I can provide that answer directly. I will say this: about half the accidents that occur on the interstate are single-car run-off-the-road accidents of an individual that either goes to sleep or isn't paying attention. And consequently we've made a lot of effort at improving the interstate from some of the standards that were originally built 10, 15, or 20 years ago, flatter slopes, removing some of the obstacles that are in the median or on the side of the road. That in itself has done a lot to eliminate some of the hazards that we had with us 10 years ago when the 55-mile-an-hour limit came into effect.

I think 10 years ago there were substantial benefits derived from that 55-mile-an-hour limit in terms of safety. I don't think the same benefits exist today because of the numerous substantial improvements we have made to the roadside during the intervening period. So I think there is a good, legitimate question as to whether maintaining 55 on the interstate, rural interstate, is really justified.

Senator SYMMS. Senator Hecht and I haven't agreed on allowing the States to set it at 65 or 70. I'm cosponsoring his bill. I think we ought to go all the way to 70. He thinks we've got a better chance to pass it at 65. Do you want to comment on that?

Mr. **Tisdale**. No, I wouldn't, Senator, but I would like to make one point on sanctions, if I may. I think the present sanctions are having the effect of over-enforcement on the interstate system in order to comply with the 55 and under-enforcement on the non-interstate systems which is causing a misdirection of valuable resources. I think we're actually losing in terms of safety because of the sanction system that's in place.

Senator **Symms**. Well, the House Public Works and Transportation Committee has included a provision in their reauthorization bill which would change the certification process to a point system, and States would be assessed more points for faster speeds on more dangerous roads. Are you familiar with that?

Mr. **Tisdale**. Yes.

Senator **Symms**. Do you think they're going at it in the right direction?

Mr. **Tisdale**. I think that certainly makes more sense than the present system which is causing a misdirection.

Senator **Symms**. Would you agree that before the roadside safety improvements were done, the 55 law probably did slow down traffic in general?

Mr. **Tisdale**. Yes, it did.

Senator **Symms**. People that used to drive 75 to 80, have slowed to 55 but they'll try to crowd it as much as they can on these big expanses of the highways. Maybe they'll drive 5 miles an hour over hoping that they'll slide in under the net. It seems like everybody is always in a hurry to get somewhere.

I figured out that 10 or 15 miles an hour faster to a truckdriver would make a difference of 15,000 miles a year which is a considerable cost consideration. It does make a difference. Do you tend to agree, Mr. Stone?

Mr. **Stone**. I could only echo Dean's remarks. They are representative of WASHTO and——

Senator **Symms**. Of the 12 Western States?

Mr. **Stone**. Yes. I'd like to emphasize again the many improvements that we've made on the system since 1973. Again, you cannot mix traffic going 40 miles an hour with traffic going 70 miles an hour. You have to get that spread as narrow as possible.

Senator **Symms**. How does the speed limit change the spread?

It changed the guy on the top end, but what about the one on the bottom end?

Mr. **Stone**. Well, many States before the 55 miles came in had minimum speeds of 40 miles per hour, especially on freeways. I think this would be a big help in many instances of cutting down accidents. But the fact that you had 55 and the same speed for all types of vehicles, trucks, cars, you've got them flowing together, weaving in and out, makes a tremendous difference.

I feel on many sections of rural freeway, especially in the west, that 65 would work just as well, if not better, than 55. It certainly would get more compliance with the law. We spend more time in Nevada with our law enforcement trying to meet the 55.

Senator **Symms**. Do you think 55 is enforceable?

Mr. **Stone**. It's very difficult, but whatever congress gives us, we'll try to enforce it. We come very, very close each year.

Senator **Symms**. How do we do in Idaho, Dean?

Mr. **Tisdale**. Senator, at the onset of the program I think there was a lot of voluntary compliance in 1974. That compliance is eroding. We're still getting a good enforcement effort by the limited people that we have available to do that, but the average public is tending to drive faster and faster on the rural interstate system especially. So the average speeds are going up.

Senator **Symms**. What's your opinion if we raise it to 65—which we're making an effort to do—do you think people then would try to drive 70 to 75, or do you think we could keep them at 60 to 70 approximately?

Mr. **Tisdale**. I think the average speed would tend to go up if we increase the speed limit.

Senator **Symms**. Well, that's an important consideration. I was hoping that if we raise it to 65, there might be more willingness on the part of the public to cooperate.

I don't have any statistics on this, but just from my personal driving observation, I think if I drive, say 55 to 60 on the interstate in Idaho. I won't have a whole lot of cars passing me but if I go right outside of Washington and drive 55 miles an hour, it appears to me that everybody is passing me.

I don't know what they're doing in those areas to enforce the speed limit but they get on I-95 and if there's no traffic jam, which there often is, but once they get started going south of the capital down into Virginia, those cars are running 70 miles an hour. If you drive 55, everybody is passing you. If you get in one of the middle lanes, you've got people honking at you wanting you to move over so they can get on by.

That's right there under the dome of the capitol almost. It seems to me we're imposing an enormous law enforcement burden on the States when those law enforcement officers could be better spending their time following other responsibilities.

I did have some other questions other than the speed question I wanted to get to while I've got you both here. AASHTO has suggested that a highway system of national significance should be designated on past the interstate, and if you agree with that, then what criteria should be used to designate such a system and who should do the designating?

If you don't agree with what he says, Dean—I'm going to assume that you agree with him, but we'll give you a chance to rebut it.

Mr. **Stone**. Personally, and I think for the most part, most States in AASHTO as well as WASHTO agree that this system should, of course, include the existing interstate system, roughly all of the primary system, and some modifications to that primary system that may have more than just State significance, would have at least an interstate significance.

Senator **Symms**. Do you agree with that?

Mr. **Tisdale**. Yes, I agree with it, Senator. You also asked the question of who should designate it. I think most of the States would take the position that the States should have a very active role in helping formulate that system.

Senator **Symms**. OK, I appreciate that. Another question is the mixture of toll financing and Federal aid funds, should we allow that, and if so, under what conditions?

Mr. **Stone**. Speaking for Nevada, unless you allow me to put tolls on completed highways, I really don't care because if the ICE does come out in October, I'm through with the interstate—but yes, I think that—in speaking for WASHTO, I feel that any innovative way of financing to meet the transportation needs of not only the Western States but the entire country should be allowed.

Senator **Symms**. We've made some room in the bill that the Senate passed and in the bill we passed last year we made accommodation for private sector contributions of right of way to be used as part of State funding for the San Joaquin corridor in California, which is south of the interstate that connects San Diego with Los Angeles and there's a real traffic bottleneck there. There's no alternate route except right through the Santa Ana freeway; 6 percent of the United States population lives along that corridor from north Los Angeles to the Mexican border, we felt it was appropriate, from a national standpoint, to do anything we could to help them be innovative to pay for it so there would be some easing of the traffic bottleneck which could be a security problem in any kind of a national emergency.

Would you tend to say that we should continue to look for ways to do that?

Mr. **Stone**. I certainly agree with that approach. Many States 15, 20 years ago, especially on the secondary system, did not buy 1 square inch of right of way. You either donated the right of way or you didn't get the road, and it worked very well. It worked that way in South Carolina and many of the Southeastern States.

Yesterday we approved the go-ahead with the project in Reno, NE, that was 1.1 miles at a cost of $31 million for that 1.1 mile, $14.5 million was right of way.

Senator **Symms**. Just to buy the right of way?

Mr. **Stone**. Just to buy the right of way.

Senator **Symms**. They haven't heard about what's happening to farm land prices in Idaho obviously.

Well, thank you very much. I have one or two more questions. What effect did the Davis-Bacon regulations have on the Highway Program and what changes do you recommend? I'll let you both comment on that.

Mr. **Tisdale**. In Idaho the legislature at the last sessions repealed the State Davis-Bacon Act. I think the estimated impact was something in the range of 10 percent of labor costs which comprised maybe half the project costs.

Senator **Symms**. That's on the State side of it?

Mr. **Tisdale**. Yes.

Senator **Symms**. But how do you get a contract let out here that isn't tangled up with the Federal Government?

Mr. **Tisdale**. I'm using that as an example of a comparable impact at the Federal level.

Senator **Symms**. So you think if we could actually repeal it, we would get 10 percent more roads built for the dollars? Is that what you'd be saying? Is that a fair way to put it?

Mr. **Tisdale**. I really don't have a basis for making that kind of an estimate, Senator. I'm merely repeating some of the estimates that were used at the time of the debate at the State level.

Senator SYMMS. What would you recommend for us to try to do on next year's reauthorization to lessen the restriction of Davis-Bacon? Or should we leave it as it is?

Mr. TISDALE. I think the Governor's position certainly would be to leave it as it is.

Senator SYMMS. I don't look at highways as political. I look at them like an engineer does, I guess.

Mr. TISDALE. From our standpoint we think there would probably be some cost savings if we could eliminate it.

Senator SYMMS. Would you want to comment for WASHTO on that?

Mr. STONE. Senator, I feel that certainly there would be a tremendous savings.

Senator SYMMS. A tremendous savings, you say?

Mr. STONE. Yes, to at least have some control over Davis-Bacon. Just recently we had a project in Nevada where the U.S. Department of Labor had made a $2.50 error in one of the classifications for the job which was very heavy in the employees on this classification. It amounted to something almost a half million dollars on one job alone.

It didn't pass in our State. We did not get rid of the Little Davis-Bacon Act. But it is costly. There are many other things that are costly. The flagship rule about only 10 percent from foreign countries costs. The Environmental Program alone, since the early seventies, has probably cost highways as much as 30 percent.

Senator SYMMS. Thirty percent. Do you think some of the Environmental Programs have cost the Highway Program?

Mr. STONE. Overall, especially the interstate portion of that. It's extended way beyond the interstate.

Senator SYMMS. Is this for livestock and game crossings and things like that?

Mr. STONE. Mostly for archeological exploration, historical. I can recall one project in 1981 in Nevada which was a $50,000, $60,000 a year maintenance project which we wanted to cure with a $200,000 improvement because that would be cost effective. We got into an archeological dig that cost over a million and a half dollars. The interest on a million and a half dollars would have kept the maintenance going on this for years and years and years. And it's just unfortunate. I counted one summer the university had 137 people digging on this site.

Senator SYMMS. And the Highway Program had to pay for it?

Mr. STONE. Yes.

Senator SYMMS. That's very interesting. You're probably familiar with this, but the Federal Highway Administrator, Ray Barnhart, has been in a big controversy over panther crossings on a game refuge in Florida. The interstate crosses it and it's become a big political football. There's 40 panthers living on 400,000 acres. I said if somebody was to drive the rest of his life on that interstate, I'll bet they can't run over a panther if they tried. But somehow, because of the way the laws are written, they're building these panther crossings at enormous cost so these panthers can safely, if they know where to go and can read, can get through the culvert that goes under the highway.

I couldn't believe that we actually were doing that with the Highway Program. That's why I am holding back on supporting an extension of the trust fund forever because if you extend the trust fund forever, that means you're extending the right to tax.

But we've got to come to some kind of a common sense accommodation on some of these points that I think you make. Common sense tells us we should be a little bit prudent and moderate about it.

I've got one last question and I'll let you go, but I think it's important because it is highly controversial. What is the capacity of disadvantaged business enterprise construction firms of doing Federal aid highway work in Idaho, Dean, and in WASHTO, in Nevada and the Western States? I'm looking ahead to next years writing of this bill again, and it seems like with Davis-Bacon and minority business we haven't gained any ground at all. What is our capacity to fulfill that?

Mr. **Tisdale**. Our minority population in Idaho is right at 6 percent. Much of that is Hispanic. We have been able to make our 10 percent quota, but there have been concerns expressed by the contract industry that in the process of doing that, they've put some smaller specialty contractors in jeopardy, in terms of being able to stay in business, who were not minority contractors. So so far we've been able to meet our goals. Whether we'll be able to continue in the future, I don't know.

Senator **Symms**. How many of those minority contracts that you let are actually in road construction and how many are on the side effects like the seeding, the beautification, and so forth?

Mr. **Tisdale**. Well, in Idaho we do have one minority contractor that does a lot of the paving work in Idaho, and out of our 10-percent goal I think they make roughly 4½ percent of that goal for us. So without them we would have a much more difficult time. But the remainder of the contractors are primarily the small specialty areas.

Senator **Symms**. Mr. Stone.

Mr. **Stone**. From a State of Nevada perspective we've had no problem in meeting the goal. We have 13-percent minority in the State, most of which is Indian.

Senator **Symms**. Did you say Indian?

Mr. **Stone**. American Indian. We have had no real problem in meeting the goal. Throughout the West, and I think it's a State-by-State type of problem, it varies from one State to the other, and I think each State should be addressed separately.

Certainly I feel and I think most of the States in WASHTO feel that the program needs to be looked at again. There are a number of things that allow, for instance, a minority or disadvantaged person just to be a broker and an entrepreneur. I don't think that we owe the money from the Highway Program for that type of operation. I think we should look again to see exactly what we are doing with the program.

Senator **Symms**. In other words, if that's a good social goal, which it may well be, then don't divert the funds for making the engineering costs and construction costs higher on the highway user who's paying this?

Mr. **Stone**. I would have to take that. As a transportation engineer myself, I don't feel that the highway program should be one to carry all the social programs in the country. Why not put the same thing on the defense budget?

Senator **Symms**. Or the whatever budget.

Mr. **Stone**. Right.

Senator **Symms**. Thank you very much, both of you, for an excellent contribution to the hearing. If we have any other questions we think we need, we will submit those to you for the record.

The next witness is the Honorable Bobbie Minkin, mayor of the city of Laguna Beach, CA. Mayor Minkin, welcome to the committee, welcome to Boise.

STATEMENT OF HON. BOBBIE MINKIN, MAYOR, LAGUNA BEACH, CA

Mayor **Minkin**. Thank you.

Mr. Chairman, I'm Bobbie Minkin as you stated, the mayor of Laguna Beach.

I'd like to digress for just a moment from my written testimony and say that I was very interested to hear you say that Mr. Burdick was the senior member of your subcommittee. I was born and raised in North Dakota, and I noted with some humor that he probably would not be for the 55-mile-an-hour limit. Having learned to drive in North Dakota, I can concur with that. The open spaces certainly don't give you any predilection towards driving 55 miles an hour, and I might say the same for portions of California. I-5 has great long stretches where it's very hard to keep your foot light on the accelerator. So that's just a personal comment on my part.

Now, back to Laguna Beach. We are really a small tourist-oriented community in Orange County, CA. Laguna Beach has a resident population of only 18,000 people, but each year we host several million visitors to our beaches and art festivals, and today I have a short presentation leading to one specific request.

We understand that your committee is assessing public works needs including the San Joaquin Hills Freeway in Orange County. We recognize the need for an improved mobility that freeway could bring. However, we are concerned about its impact on Laguna Beach as the freeway is presently conceived.

The San Joaquin Hills Freeway is being designed to be 17 lanes wide through our community. There would be two complete intersections just 2,000 feet apart. We believe that this segment of freeway, which could be the widest and the most complex roadway in America, would irreparably damage the ambiance and, therefore, the economy of our small city.

Our entire economy is based on tourism and art. People come to Laguna Beach for its bucolic, relatively tranquil setting in the midst of heavily populated southern California.

We appeal to the members of the committee to ensure that the language of any transportation bill itself or its legislative history clearly requires the federal, state, and county freeway planners to modify the design of this roadway in order to mitigate the extremely adverse environmental and economic consequences which this project would have on Laguna Beach and other communities through which it passes.

The committee report for the House version of the transportation bill already includes language recognizing our concerns. We would appreciate similar assistance from you and your committee members.

Thank you for giving me your consideration. Thank you for allowing me to come to beautiful Idaho from beautiful Laguna Beach, CA to testify today.

Senator SYMMS. Thank you very much, Mayor. We appreciate having you here. I did have the opportunity to see part of where that proposal goes. Is there an alternative?

Mayor MINKIN. Senator, to the alignment of the San Joaquin Hills corridor?

Senator SYMMS. Yes, or make it smaller than 17 lanes?

Mayor MINKIN. That is the alternative; not to realign it in a different spot. We don't think that's practical at this point. The freeway has essentially been designed as a 17-lane wide freeway, and that would include 5 travel lanes each way for cars. It would be two off-ramp lanes, three HOV lanes, and two merging lanes.

Senator, this freeway would be at a 6-percent grade as it goes over our little arterial road leading into our city, and it would require you, I believe, to turn on your headlights to find your way from underneath the freeway. It's clearly an engineer's wonderful dream of the perfect freeway, but for us it would be absolutely disastrous to our economy.

Senator SYMMS. How close would that be to the actual community?

Mayor MINKIN. It is in our community.

Senator SYMMS. I mean the corridor that is the present freeway.

Mayor MINKIN. That's the 405 freeway.

Senator SYMMS. From up by where the Fluor headquarters are and then you go down through kind of a canyon to the community.

Mayor MINKIN. A beautiful rustic canyon. Yes. That's about 6 miles from that freeway toward the beach and it's about 2 miles from our actual beach itself. Our community is only 6 square miles so you see it is very small and it's very tightly put together surrounded by open space and greenbelt.

We purchased this land that the freeway alignment goes through to the tune of $10 million to provide open space and a regional park. Some time ago prior counsel decided to sell a portion of it as a right-of-way thinking, wrongfully, I believe, at the time, that the county government was only planning a four- to six-lane road through the park which would help out further development in south Orange County.

You see, this roadway, although it would relieve traffic on I-5 and 405, is predicated on future development in south Orange County which has been largely undeveloped until the last few years. So we see it as a freeway that will answer a need for only a short time. Then it will immediately clog up as the I-5 has done and the 405 because there is an enormous amount of development planned for that part of the county, and it could not be approved without the approval of this freeway.

So what we're asking is that our concerns be taken into account as they have in the House bill because of the enormous impact this would have on our economy and to say nothing of the impact it would have on our plans for a rustic regional park that would serve all of the south Orange County at that point.

Senator SYMMS. What do you think would happen if, let's say, in the Congress' wisdom they put that in the bill, do you think that the local community governments would not approve the plan and it wouldn't be built or do you think there's a way it can be resolved?

Mayor MINKIN. Absolutely. I believe if they scale that freeway back to four or six lanes, if they takeoff one of those major off-ramps—I don't see the need for two major off-ramps in an area the size of Laguna Beach.

Senator SYMMS. That would save a lot of money also.

Mayor MINKIN. It would save an awful lot of money and save a lot of air pollution and noise pollution and it also would help the park somewhat in beginning to look like a park.

You've been to the area so you know that there is a great swath of hills and open space that the county has wisely set-aside as open space, and this certainly is an intrusion into that area. It's something that I believe that is just a dream, and it could possibly go forward, although I don't know how they intend to pay for it.

The county proposed to have a sales tax which did not work; it was defeated. And they thought about a toll tax, and everybody came unglued at that. You know how Orange County is about taxes. And then they said, well, we'll have a developer fee, and the cities, including ourself, are objecting to that because of the size of the freeway.

I believe if it were scaled down, you would have cities along the route feeling much more comfortable with it and you would have a friendly compromise worked out. And that's why we come to you today.

Senator SYMMS. Well, we thank you very much for making the trip up here, and I appreciate hearing your point of view on this. I'm glad to know that.

Mayor MINKIN. Thank you.

Senator SYMMS. The next witness is Mr. Cliff Shoemaker, crossing engineer, Union Pacific Railroad. Cliff?

STATEMENT OF CLIFFORD SHOEMAKER, CROSSING ENGINEER, UNION PACIFIC RAILROAD

Mr. SHOEMAKER. Senator, I do not have a prepared testimony. I had it prepared, but my papers have not caught up with me yet. I've been on the road the last couple weeks and they're being typed and they should be done today in Omaha, but they're not with me yet so I'll be referring to my handwritten notes.

My name is Clifford Shoemaker. I'm crossing engineer for the Union Pacific Railroad headquartered in Omaha, NE, and in this position I'm responsible for the administration of grade crossing improvement programs for our 13-State system.

I've been involved in the grade crossing program since approximately 1973 and am a member of several national committees, American Railway Engineering Association, Association of American Railroads, Transportation Research Board, various Federal Highway Administration ad hoc committees, AASHTO and WASHTO groups, and so forth.

I appreciate the opportunity to appear before the subcommittee and to present my views, and I believe the other railroads' views, on a subject of extreme importance to both the railroad industry and the highway traveler, that of safety at highway-railroad crossings.

In a two-part report to Congress in 1971 and 1972 the U.S. Department of Transportation recommended that all crossings in the country be inventoried, that a determination be made of what physical characteristics those crossings possessed, and that adequate funding be provided to install lights or gates at an estimated 30,000 crossings nationwide with a goal of reducing accidents and casualties by 50 percent.

As you know, Congress reacted. In 1973 the Highway Safety Act was passed which for the first time provided for specific categorical funds to address the grade crossing problem. Previously Federal funds were available for on-system projects on a discretionary basis, and some States had grade-crossing improvement programs funded with local gas tax dollars, but it took the U.S. Congress to really make things happen.

Since the enactment of the 1973 and subsequent acts, approximately 20,000 crossings have been equipped with automatic warning devices. Many thousands more have been equipped with new or additional advanced warning signs. Crossing surfaces have been improved, pavement markings, illumination, closure or consolidation of crossings, grade separations, site distances have been improved.

The results have been phenominal. Nationally we have reduced fatalities by over 50 percent, personal injuries by about 30 percent, and total accident frequencies by over 40 percent since the enactment of the Federal-Aid Crossing Program in 1973.

In Idaho we have experienced a similar success. Accidents have been cut in half and casualties have been reduced proportionately. And the interesting part of these numbers is that we are still experiencing accident reductions in 1984 and 1985 even with increased highway and rail traffic levels. In fact, according to a recent Federal Highway Administration study, the rail-highway crossing program has provided the greatest percentage of reduction in fatal injury and total plus injury accident rates at the locations evaluated of any Federal-Aid Highway Crossing, or highway safety program.

So I discuss a success story. We feel we still have a long ways to go. Even with the accident reductions we have experienced, there is still approximately 500 people who lose their lives at grade crossings each year. Another 2,500 or so are injured.

The grade crossing situation is not static. With railroad mergers, consolidations, and abandonments, traffic patterns are changing. With more unit grain and coal train traffic, the length and speed as well as routing is changing. With community expansion and industrial development highway patterns change as do schoolbus routes and fire and police station locations.

Many crossings that have automatic signals that were installed 15, 20, or 30 years ago are not adequate for today's needs. Many locations are in need of nonsignal type improvements such as sight distance improvements or profile modifications. In fact, at the national grade crossing safety conference held last month in Kansas City Transportation Secretary Elizabeth Dole announced a new program to study rail corridors for crossing problems and to try and develop lower cost solutions for those problems.

The concept isn't new, nor are the techniques to solve these problems, but the emphasis is. We now have our other segments of the crossing safety program geared up and operational, those of enforcement and education, through the Operation Lifesaver Programs, but we need to continue what I feel is the most important of the overall program, that of the engineering type improvements. And for that we again need the continued help of Congress through the continuation of the 203 program and recommend that it be included as a separate category and at the existing levels in the highway legislation currently under consideration.

I appreciate the opportunity to be here and I'd be happy to answer any questions.

Senator SYMMS. Thank you very much. The first question that I wanted to ask you, it's my understanding that these safety devices to warn traffic of an oncoming train are paid for on a 90–10 basis mostly.

Mr. SHOEMAKER. That's correct.

Senator SYMMS. Where does the 10 percent come from? The Federal Government is paying 90 percent and then 10 percent comes from someone else.

Mr. SHOEMAKER. Correct. Normally the 10 percent is paid for either by local or State shares, and the railroad assumes the continuing maintenance of those devices for perpetuity. A rough estimate of what that contribution is, within about 20 years the railroad actually pays more than the total cost of the initial installation, so that is the reason for the cost sharing the way it is. But normally it's the local city, county, or sometimes State, a combination of funding that picks up the 10 percent. Or through negotiations sometimes the railroad actually picks up all or a portion of that 10 percent.

Senator SYMMS. How about the new technology? Are there some new things happening in the device world that would make it safer and less expensive?

Mr. SHOEMAKER. Especially on the safer side. We'll talk, I guess, signals on the safer side. They're not necessarily less expensive. There are circuits available now that just weren't available 15, 20 years ago that, in effect, take advantage of the microprocessor innovations of recent years.

They can calculate train speeds as they approach, they can sense movement forward or backward, determine if it's going to stop and sit for a while and deactivate signals so you aren't unnecessarily blocking crossings when a train is sitting still, and it can adequately provide for advanced activation of the signals based on the actual movement and speed of the train.

The old type of signals that were installed in effect had to protect the crossing based on the highest possible train speed. If you had a mix of 90-mile-an-hour passenger operations and 10-mile-an-hour switching operations, those signals may be going for an unusual amount of time before the train hit the crossing itself. New types of circuitry can make for a constant warning time regardless of the speed of the train.

Senator SYMMS. So you think that's the real answer then to prevent people from making wrong decisions regarding rail crossings?

Mr. SHOEMAKER. I think that's a very big portion of it, yes, sir.

Senator SYMMS. I go from Boise out to Sunnyslope and take the Karcher exit over where the Meridian Wood Products is, and there's a lot of traffic on that road and I've seen that happen occassionally. The signal arms are down and the train is sitting back there or maybe moving very slowly. Pretty soon the traffic starts going around the boom. I always think that's sure a bad habit for people to get into, to think they can get away with that.

Mr. SHOEMAKER. Yes, it is. Well, now, the situation where the train is actually moving, the signals can't tell if he's going to stop or not. As soon as he stops, the new circuitry can provide for them to timeout. And if he makes a reverse movement away from the crossing, it will still stay unactivated. If he comes back toward the crossing, it will recalculate the speed and reactivate it.

But we're finding that close to half of our accidents are occurring at signalized crossings.

Senator SYMMS. Half of them?

Mr. SHOEMAKER. Yes, sir.

Senator SYMMS. Is that because of driver behavior, you think?

Mr. SHOEMAKER. Driver behavior, but I also think some of those situations are older crossings where signals are just not state of the art. People see a new crossing and they expect it to operate in a certain manner and then the next crossing may be one that's been there for 30 years and doesn't have the same type of circuitry. It provides a different type of warning than the new crossings may, and there may be some inconsistencies there.

Senator SYMMS. Is there any ideas that you've come up with other than just a continual ongoing educational program to get people to not make that mistake?

Mr. SHOEMAKER. We've expanded what we call the operation lifesaver program. That, in fact, was started here in the state of Idaho in 1972 and has since been expanded to almost all of the States and it's been adopted by the National Safety Council. It's one of their main programs.

We are now going back on second and third phases in the States, the local programs, school districts, drivers' training programs, plant safety meetings and so on, to let those people be aware of what the signals mean at crossings, the problems from the train operations. You can't stop a train, you can't turn it out of the way. And so the general public will be aware of the general operational characteristics of a train and the signals and likewise what the laws and regulations are.

We do feel that that in combination with the physical improvement program can be continued. We have had a good success rate the last 10 years and we feel that can be continued.

Senator SYMMS. Thank you very much. I appreciate your testimony.

Mr. **Shoemaker**. Thank you.

Senator **Symms**. You can send us a copy of the written statement.

Mr. **Shoemaker**. It may be in the mail by today, I hope.

Senator **Symms**. OK. Thank you.

The next witness is Mr. Parke Garrard, managing director of the Idaho Motor Transport Association. Parke, welcome to the committee.

STATEMENT OF PARKE GARRARD, MANAGING DIRECTOR, IDAHO MOTOR TRANSPORT ASSOCIATION

Mr. **Garrard**. It's a pleasure today on behalf of the Idaho Motor Transport Association membership to appear before your Senate committee to alert the issues which are of critical importance to not only the motor carrier industry, the single trucker in Idaho, but also the nation.

Recently the multistate highway transportation agreement known as MHTA officially published the four State combination vehicle test report. The report was the response of the MHTA to the Federal truck network longer combination vehicle studies which was mandated by the Surface Transportation Assistance Act of 1982.

The MHTA is a State-sanctioned forum on highway transportation. It is composed of nine member States, Arizona, California, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming. MHTA is unique in that it is made up of legislators, industry people, and Department of Transportation officials, established for the purpose of solving problems in the highway transportation industry.

Four of the member States, Oregon, Idaho, Nevada, and Utah, participated in the study of longer combination vehicles using the new Federal truck dimensions and an uncapped gross weight formula. The results, as far as I know, provided the only operational comparison of the Surface Transportation Assistance Act of 1982 dimentional and existing—that's pre-STAA—longer combination vehicles, and should be considered by the Federal study.

The carrier operations carried out in the MHTA study indicate that a regional LCV—that's a longer combination vehicle network—with an uncapped bridge formula would be beneficial both regionally and nationally. The existing western LCV network already accommodates local, regional, and national freight, but its potential benefits are presently limited by legal restrictions in the Federal law. Whether a regional network is viewed as a first step toward a national LCV network or as an entity unto itself, the Federal study should expressly allow the Western States to issue divisible load special permits under bridge formula and axle weight controls.

The U.S. Department of Transportation's recent conclusion that there is no compelling reason for the Federal Government to designate a nationwide system for the operation of longer combination vehicles makes what the Western Trucking Association's executive council—that's the Western Transport Association managers throughout the West—calls the pinwheel amendment even more important to carriers who wish to operate LCV's in the Western

States as it would allow those States to establish size and weight limits without Federal approved—rather, Federal approval—provided the limits were set in accordance with the Federal bridge weight formula B.

On another topic, it's heartening to hear you, Senator Symms, and your comments regarding the diversion of highway funds. The IMTA strongly objects to 1 cent out of every 15 cents of the fuel tax paid under the STAA being siphoned off to mass transit and nonhighway projects and respectfully requests that Congress make every effort to amend the 1 cent back into the STAA for highway-related projects only.

The industry is hearing greater overtures that the U.S. Department of Transportation and the Federal Highway Administration is considering a Federal weight-distance tax. I'd like to echo the testimony of the Western Highway Institute that was given before this very committee in Lewiston, ID, September 3, 1982. A weight-distance tax, or as we know it here in Idaho as the ton-mile tax, even among those who advocate it, has not been all that attractive. The reason is simple: no tax, however fair on its face, is a good tax unless it can be collected and collected at a reasonable cost. A good tax is unavoidably paid by the taxpayer at the time the taxpayer is obtaining the necessity. Efficiency is obtained because the taxpayer cannot avoid the payment of the tax. Costs of administration are kept low because the Government has a third party, the purveyor of the necessity, to keep track of the taxable transactions.

Equity, on the other hand, is obtained through proper tax rates for various classes. This is the outline of a good tax, at least from the governmental point of view.

Registration fees fit this pattern. Highway users must pay registration fees to obtain the license plates necessary for operation on the highways.

Fuel taxes fit this pattern of a good tax. Fuel is a necessity for operation on the highways, and a third party keeps track of the taxable transactions.

Weight-distance taxes, however, do not meet the pattern as a good tax. Mileage is a result of operations on the highways and not a necessity to those operations. There's no one and no thing issuing mileage on the highways. Thus, even if weight-distance or ton-mile tax rates are equitably established, the tax cannot be collected and collected at a reasonable cost, failing entirely as a good tax.

The Western Highway Institute has also indicated that where the ton-mile tax exists, there's an existing economy consisting of those who are exempt from paying the ton-mile tax and those who evade partially or fully its payment.

The ton-mile tax is a particularly labor intensive tax to administer, and a bureaucracy commonly grows up around its existence. Bureaucracies, of course, are hard to eliminate.

In theory the ton-mile tax is supposed to be fair to everyone who falls under its requirements. In practice it is a tax that has many more minus implications than pluses. IMTA requests you to discourage any further efforts to pursue a study on the implementation of a national weight-distance tax. Its administration would be cumbersome, a detriment to the nation and industry in my opinion.

Now, one of the critical issues facing the trucking industry today is one that is not on your list but it follows in the miscellaneous list. It's that of truckers that are faced with staggering increases in insurance rates. Many of the old line and reinsurance companies are exiting the trucking market.

Federal law requires minimum insurance levels that a motor carrier or trucking company must have before it can operate and hold an Interstate Commerce Commission [ICC] certificate of authority. Because of the present hard market, all existing carriers are finding it extremely difficult to comply with the insurance requirements. Rate increases are not uncommon at levels of 300 to 500 percent for much of the industry.

The rates are an apparent result of the financial needs of the individual underwriters rather than the past claims record of the motor carrier company. There is a dire need to initiate some form of rulemaking recommendations to congress for appropriate legislation to ease the crisis. If the present insurance crisis is not eased, a proliferation in the industry of operating without insurance and reduced safety maintenance will be the resulting answer by those attempting to stay in business.

In summary, my comments on behalf of the Idaho Motor Transport Association have recommended the following: that based on MHTA study findings, States contained within a 750-mile circle from Salt Lake City, UT be permitted to issue special permits for the transportation of readily divisible loads in excess of 80,000 pounds when the vehicle combinations are in compliance with the Federal bridge weight formula B.

The implementation of a national weight-distance tax known as the ton-mile tax in Idaho is not in the best interest of the trucking industry nor the nation's economy.

IMTA continues to oppose the diversion of highway user fees for nonhighway projects.

And IMTA requests that rulemaking recommendations to congress be designed and that appropriate legislation be passed to ease the trucking industry's insurance crisis.

I appreciate the opportunity to present the Idaho Motor Transport Association's comments regarding vital issues having an impact on the trucking industry both today and in the future.

Senator SYMMS. Parke, thank you very much for your statement. I believe I noticed somewhere in the news here recently where there's been some concern that surrounding States are starting to retaliate against Idaho truckers because of the ton-mile tax in Idaho.

Mr. GARRARD. It's not necessarily surrounding States. There are eight States that are now doing that across the Nation. There are 23 States that have enabling legislation on their books that would permit them to do so if they wanted to retaliate against Idaho.

Senator SYMMS. How many other States have a ton-mile tax?

Mr. GARRARD. There are 10 States in the Nation that have ton-mile tax.

Senator SYMMS. Is this retaliation taking place against all ten and we're not singled out?

Mr. GARRARD. We are not singled out. It's happening to most of them.

Senator SYMMS. How much revenue does the ton-mile tax in Idaho raise? I should have asked Mr. Tisdale this, too.

Mr. GARRARD. I believe 3 years ago it was about $13 million; the year prior about $14 million; and the last year of collection in the neighborhood of $16 million.

Senator SYMMS. Would you prefer to see it on a fee or an increased fuel tax or what?

Mr. GARRARD. We would prefer to see that on a flat fee up front where the trucker, before they can operate their trucks on the roadway, would have that tax paid to the State, thus eliminating the necessity of additional paperwork, a great deal of auditing, and the lost revenues which, as I see right now, based on Idaho Transportation Department figures, the fees to pay the audits run in the neighborhood of about 25 percent of the total assessment. Then when the assessment is made, if it is not collectable at that time, it is generally negotiated by the department and part of the total amount therefore is lost.

So your national average could run about 30 percent for the collection. So, of $1,000, it would cost $300 to collect that.

In Idaho, apparently from the figures we're seeing now, it is in that area, perhaps higher.

Senator SYMMS. How do your members view this question of toll financing?

Mr. GARRARD. When the National Governors Conference was in Idaho, I sent a letter to Gov. John Evans indicating that we would like the word toll eliminated from an assessment on existing interstate highways or new highways.

Senator SYMMS. So in other words, you're opposed to the idea of getting started on that track?

Mr. GARRARD. Yes.

Senator SYMMS. How are the roads in general in the west?

Mr. GARRARD. It depends on the roads you travel on. I have been traveling around in Idaho and I haven't had the opportunity to travel out of State this year. Right in Boise I always hit a certain chuckhole down at about Tenth and Main. My car is out of alignment now and so is my pickup. That's speaking for Boise only, but around the State I would say I'd probably give them about a 7 out of 10 score.

Senator SYMMS. What do you think is the biggest problem the truckers face? You mentioned earlier about the multi-state cooperative effort. I assume that's to try to iron out these problems of permits and fees. Is that the idea?

Mr. GARRARD. The multistate effort is basically an effort that's on weights and length limits. There is another triad of States which the Idaho Transportation Department is involved in which involves Idaho, Oregon, and Washington. Their purpose is to develop enabling legislation which permits those three states to become uniform with each other and their various laws in the trucking industry. Eventually they hope to expand beyond those three States.

Senator SYMMS. The Administrator of the Federal Highway Administration, Ray Barnhart, has been trying to get the States to make it so that a trucker can go from point A in the country to point B without having numerous additional stops. Is that still one of the biggest problems for truckers?

Mr. **Garrard**. It's always a problem because a stop means loss in profit to a trucker. There is a study which is being conducted known as the Crescent study which starts from the Canadian border, comes down the west coast through Oregon, Washington, California, and did end down on the southern coast areas.

Senator **Symms**. Is that the biggest problem facing truckers?

Mr. **Garrard**. Right now the biggest problem is the results, I believe, of deregulation.

Senator **Symms**. That's a bigger problem than the difficulties of getting through the State lines, the readjustment there.

Mr. **Garrard**. Yes. Deregulation has permitted a great deal of trucking firms to enter the market and individuals that on the surface they set their rates lower than those that have had to set and file a set tariff and, therefore, they're losing business for those people. They find that they cannot operate at the rates that they've set. Therefore, they go out of business in many cases, and as a result some of the people that they have been competing against go out of business.

Senator **Symms**. Thank you very much. Counselor, any questions? Thanks very much, Parke. I appreciate your testimony.

Next witness, Mr. John Bender, region manager for Boise Cascade. John, welcome to the committee.

Mr. **Bender**. Thank you. I do have a statement.

STATEMENT OF JOHN BENDER, IDAHO REGION MANAGER, BOISE CASCADE CORP.

Mr. **Bender**. Thank you, Senator Symms. My name is John Bender and I'm currently serving as Idaho region manager for Boise Cascade Corp.

This morning I'd like to take a few moments to share some comments regarding the road construction project on Horseshoe Bend Hill.

And as I understand it, the project has already been funded and from personal experience know that actual construction is under way right now. Speaking from that particular perspective, I'm not here to propose any new programs but instead to reaffirm the need for the reconstruction and to thank you for your efforts in bringing this existing project into fruition.

As you may know, Boise Cascade operates two sawmills in Horseshoe Bend. Boise Cascade also purchases Federal timber from the Boise National Forest. In many cases the Horseshoe Bend Hill highway provides the most direct access to portions of the Boise National Forest. In these less than robust days for the forest products industry anything that might result in lower costs is a welcome event. The improved transportation access afforded by this reconstruction project will result in reduced haul time, and time is a major determinate in haul costs.

In addition to the positive impacts on log hauls, the improved highway will enhance the general movement of supplies and equipment between Horseshoe Bend and Boise which is the nearest metropolitan center.

As a final note, I'm sure you're also aware that the community of Horseshoe Bend has been particularly hard hit by the downturn in the wood products industry. Employment levels were approximately half of what they were preceding the downturn. For those displaced employees the improved highway will provide a long-needed, safe, efficient access to larger job markets in the greater Boise area.

We who live and we who work in Horseshoe Bend, would like to pass along our thanks for your efforts in this part. We think it's going to provide some positive impact to the future stability of Horseshoe Bend.

Senator SYMMS. Thank you very much for your excellent statement. I want to tell you how delighted we were when the Federal Highway Administration finally made the ruling which was appropriate in my view, and I have been talking with them about it for a couple of years to include Horseshoe Bend Hill in the emergency status.

We passed it twice through the Senate, and finally when the administration really took a careful look at it, I think they could see what we were trying to do. It was not just that our hill was sliding off a little slower than most places. If it would have slid off in 15 minutes, it would have clearly qualified, but it took a year or two. It made a big difference. I think that will be a welcome addition to our State and it certainly will improve the ability of people to get up and down that corridor to north Idaho.

Thank you very much.

Is there anybody here left from the Idaho State Department of Transportation?

Mr. LYDSTON. Hugh Lydston.

Senator SYMMS. I am going to ask you a question, and if you don't have the answer don't worry about it, but it's something I wanted to find out today. I drove up the road from Wallace up over the ridge to Prichard, and then from Prichard up to Murray, and then drove from Murray, I had to get to Sandpoint, over to Thompson Falls, MT, and then back into Sandpoint earlier this month.

Who makes the decision on the stretch of highway between Prichard and the Montana border? As you know, that road is a dirt road up to the border and then it's a beautiful forest highway on the Montana side on down into Thompson Falls. Who decides that? Is that the Idaho Highway Department, Federal Forest Service, Highway Administration, who?

Mr. LYDSTON. I don't have exact knowledge of it, Senator, but I would speculate that it is a forest highway project eligible area and that being the case, it's a Federal Highway Administration and joint venture decision with the Idaho Transportation Board and the Forest Service, the tri-agency.

Senator SYMMS. The tri-agency.

Mr. LYDSTON. It probably is, but I'm speculating here. I don't have exact knowledge of that section you're talking about.

Senator SYMMS. OK. Thank you. I'll check that out further but I did want to find that out today if I could on who's making that decision. It's obvious the Montana side has an advantage in hauling lumber back to their mills because they've got a better road. I think John Bender's testimony is what triggered that in my mind, that there's a few places along that border where the Montana side, in the past years, have had highways built and we haven't on our side. A lot of lumber goes back to Montana to be processed instead of coming west to Idaho and that's where my interest was. But we'll look into that. Maybe we could work together on that.

Mr. **Lydston**. I could find out for you.

Senator **Symms**. I appreciate that.

We next have a panel of Mr. Dave Bivens, acting director of public affairs, the Idaho Farm Bureau, and Mr. Tom Hovenden.

Gentlemen, welcome to the committee.

Mr. **Bivens**. Glad to be here, Senator.

Senator **Symms**. Dave represents, as I say, the farm bureau, and Tom is executive vice president of the Idaho Cattle Association.

Welcome to the committee. Dave, we will start right off with you. You're on the top of the list here.

STATEMENT OF DAVID BIVENS, PUBLIC AFFAIRS DIVISION, IDAHO FARM BUREAU

Mr. **Bivens**. Senator, I'm Dave Bivens, director of public affairs, the Idaho Farm Bureau, here today in their behalf. We do appreciate the opportunity to express our views before you.

Idaho Farm Bureau Federation is vitally concerned about Idaho's entire road and highway system. Idaho's agricultural livelihood is almost totally dependent upon wide, safe, well-maintained roads and highways to move to and from our farming operations which are many times quite remote, as well as moving the crop production to and from our markets.

Idaho highway mileage is recorded to be something over 67,000 miles total. Of this distance, slightly over half is recorded as being Federal highway. It's interesting to note that the rural and municipal highway mileage is almost exactly the same.

From this it would be quite obvious how vital roads and highways are to Idaho's 1 million plus population. These roads and highways are extremely critical to all of Idaho's other industry and recreational activities in addition to agriculture.

Idaho Farm Bureau would like to state and recommend:

One, that Federal construction and maintenance funding for primary and secondary highways be fully maintained at current levels or expanded, if possible.

Two, that Federal funding for access roads to the Federal Forest System be maintained.

Three, Idaho Farm Bureau policy is opposed to any increase in highway user fuel tax, especially as it applies to farm trucks.

Farm bureau does not have current policy speaking to the 55-mile-per-hour speed limit. This lack of policy would appear to indicate the general willingness to live with the current 55-mile-an-hour limitation. It must be recognized that the limitation does provide considerable safety and fuel savings on rural and secondary highways. However, it is questionable if the 55-mile-per-hour speed limit is cost effective and timesaving on limited access four-lane interstate highway systems.

On behalf of the Idaho Farm Bureau I would like to thank you and the committee for the opportunity to express our views.

Senator **Symms**. Thank you very much, Dave, for a good statement. Tom?

STATEMENT OF TOM HOVENDEN, EXECUTIVE VICE PRESIDENT, IDAHO CATTLE ASSOCIATION

Mr. **Hovenden**. Senator, my name is Tom Hovenden. I'm a resident of Boise. I serve as executive vice-president of Idaho Cattle Association representing the beef cattle industry in Idaho. I also serve as secretary of Food Producers of Idaho, a nonprofit corporation representing 30 different general farm and commodity groups. I've been requested to speak on behalf of the Idaho Association of Highway Districts, a member organization of Food Producers.

Senator, our American transportation system is buzzing down the express lane toward a bankrupt transportation system. Our entire American economic system is suffering from a multitude of political solutions offered by our Congress for the past 50 years to the needs of economic problems. Many transportation decisions have been made on this basis. It can best be described as the road to failure.

The first political crime is the diversion of highway user fees for nonhighway purposes. Even though politicians might call such actions expediency, let's be honest and call it what it really is, theft, failure to keep one's word.

The second crime is that of changing formulas and failure to recognize the secondary highway systems, the farm-to-market roads, if you will. We've seen a rapid deterioration of our rural roads in Idaho. I'll admit that we have too many highway districts in some areas, but the big blow came with the One Percent Initiative that severly limited these districts in their ability to pay staggering increases in road oil and road machinery costs. Taxpayers adopted this form of local tax limits as a protest to congressional overspending. It was their only answer.

As these roads deteriorate, farmers will pay higher transportation costs. As an agricultural state, we must send our crop production to distant markets and every penny of higher transport costs reflect a lower standard of living for everyone in Idaho. Rural roads are not just the problem of our farmers and ranchers.

Liability insurance increases are staggering. Please don't offer a political solution to this problem, but the public should have a right to know about the increase in the range from 200 to 500 percent.

The truck insurance market has many variables and underwriters of questionable ethics. This would be a worthwhile inquiry. I have talked to some people who report that long established companies who have charged a fair premium have not quoted these catastrophic increases.

Related to the insurance problems, the Federal romance with the weight-distance tax system. Sounds great, Senator. Truckers simply pay for the tons hauled multiplied by the distance. But what happens to short memories? This is a miserable tax. It relies upon the honesty of the taxpayer and that is always a poor tax.

Our State has proven that we are poor collectors of this tax. The rising liability insurance rates will definitely spawn more cheating on ton-mile taxes, as they are referred to here in Idaho.

Senator, the only good system is the one where the government gets the money up front. It is like the prompt payment system that we inaugurated in the Idaho Cattle Feeders in 1975. We said pay for the cattle when you get them and if you can't pay for them, you don't get them. That didn't take any congressional action, bureaucratic regulations, and did a beautiful job of cleaning out some cattle buyers that we really didn't need in our business.

Highway construction costs and timetables are maddening. First comes expensive environmental impact statements that take forever to complete. Nothing happens during this period. This is now carried to an excess in every Federal undertaking.

Next we see some foolish projects. Interstate 84 is getting quite bumpy in places. Our State Highway Parks Department did recently remove some rough spots between Jerome and Twin Falls, and while they were about it they spent several million dollars working on rock removal in the median between the east and west lanes.

A few years back we noticed about 10 miles of I-84 being resurfaced between Boise and Mountain Home. Rather than divert the traffic into a two-way pattern on the eastbound lane, the state authorized construction of a miserable one-way road just north of the westbound interstate lane. The money wasted on this one-shot venture could have resurfaced a good many miles of an existing highway in dire need of such maintenance.

We do have a first-class rail system, and while the trucks struggle to move goods to town on deteriorating roads, the railroads run up and down Jim Hill's main line. They abolished all spur lines. Who knows what rate they're charging? And as the roads go to potholes, the railroads have no competition.

This will bring about a further degeneration of our local transportation system. Who will move the produce to those 25-car minimum railheads? Who will pay for it? What kinds of services can we expect from the railroads?

I can tell you where they stand just by observing the strong lobbying efforts before the Idaho legislature as they oppose any effort to change from ton-mile to a registration and fuel tax form of license.

In summary, let me make these points: our current program is leading to financial disaster. Do not ignore the secondary road system. What's happening to truck liability insurance? Don't get hooked on the weight-distance tax system, and bring back the rule of reason to highway construction. Spend the dollars where they're needed and not for beautification projects. And above all, don't offer political solutions to economic problems.

I thank you for this opportunity to be here, Senator.

Senator SYMMS. Thank you very much, both of you, for excellent testimony. And Tom, it really picks me up every time you've testified before a committee I've been on because you always get right to the point and I find myself in agreement with a lot of what you say most of the time. I want to talk just a little bit about this liability insurance question. I think it affects Idaho agriculture a lot.

I should have put this question to Parke Garrard. Is Parke still here? Yes. Parke is still here. If you want to comment on this, Parke, you might.

But exactly what is happening in truck liability insurance? In other words, is the liability insurance the trucker is carrying becoming an excessive burden? Is that because of the payouts for accidents? Is that what's happening?

Mr. Garrard. This is true, Senator. We have members that have had no accidents in the last year or even 2 years, yet their rates they're quoting can be 100 to 300 percent higher than the rate they were paying.

Senator Symms. How much are we talking about?

Mr. Garrard. If a trucker was paying $30,000 last year and say had a $15,000 claim, he could expect to pay in the neighborhood of $110,000 to $150,000 this year.

Senator Symms. How many trucks are we talking about?

Mr. Garrard. The individual I'm referring to has about 22 trucks.

Senator Symms. So we're talking about approximately $1,000 to $1,500 per truck?

Mr. Garrard. Normally about $1,500 per truck.

Senator Symms. For liability insurance?

Mr. Garrard. Yes.

Senator Symms. That does not include collision insurance does it? Is that the point that you're talking about Tom?

Mr. Hovenden. Senator, 30 years ago I was in the business of selling truck insurance and it seemed to me it ran around $1,500 for just liability for long haul trucks at that time. It was a hard place. We had all kinds of companies in the business. Now, we've seen this conversation about this liability insurance. I called one agent that has been selling truck insurance for some time through Transwestern there in Salt Lake and he said they have not made these increases.

There's all prices. A lot of the really big companies really don't want to get into that. It's difficult to write. For instance, I never once had a truck involved with a car in an accident in Oregon but what the insurance company didn't have to pay. They just stick it to the truckers in that State. Oh, the big truck, stick it to them. That makes it difficult.

It even got—I heard a good one the other day. There's a couple of guys got to running a scam. They were down in Salt Lake and running an insurance deal. They were there where they had two pay phones, and so when a trucker went in someplace and they said, Yes, I've got insurance with Joe Blow down there, here's his number, call them. They called him and the guy, Oh, yeah, we insure Joe, told him all about the policy. Well, you can call the company. So they'd call the company and it was the adjoining pay phone and his buddy would answer, Oh, yes, we insure Joe Blow, here it is.

So you've got trucks running up and down the road without insurance. But when you start combining the—trying to get them to pay the full ton-mile and get into this insurance deal, there have been some huge increases.

I don't know that much about it anymore, but I think it would pay to look into it. What are the legitimate companies doing? What are the fly-by-nights doing?

We used to have people that would set up a company and they wouldn't pay any claims, they'd run as long as they could, and when they finally got caught up, why, they'd just go bankrupt and they had another company ready the next day to take over and write them again. Same guy, same officers, same home office.

It's a farce when you get into the total picture. I don't have time, but it would be an interesting story.

Senator **Symms**. So what you recommend is that we look into that particular question.

Mr. **Hovenden**. Find out what's going on. It would be a beautiful mystery novel.

Senator **Symms**. It might be interesting to look into the rate structure. We are captives of both agriculture and forest products and the other things we produce in this State. We pretty much rely on either the highways or the railroads. You made a reference to it. The rates being charged to small sawmills for shipping, processing timber are very interesting. With the deregulation of the railroads, there's a varied rate structure and I fear some of our people are put at a real disadvantage. This is what brought on regulation in the past, which you're recommending we stay out of it. But there might be some things we need to look at.

Dave, I want to ask you a question and Tom may want to comment on it. What would happen in rural areas if the Federal Government gave the responsibility for the secondary system and off-system bridges back entirely to the States and counties?

Mr. **Bivens**. That's the 37½ percent category, is it not?

Senator **Symms**. Well, it's the 25 percent level if I'm correct.

Mr. **Bivens**. That the States are paying. While we're looking at that, I think we all are acquainted with the fact that we've heard testimony already relative to Highway 95 on our north and south route.

Senator **Symms**. For the primary system. Absolutely.

Mr. **Bivens**. Right, and I think anything we can do to improve that and maybe make more funds available certainly is very important.

Senator **Symms**. I think the interstate across from eastern to western Idaho has really helped tie the State together, commercially as well as politically. It's been good for the State, but we really need to keep working on the primary roads now.

I like the idea personally, and have supported the idea of when the interstates are finally completed, that we be able to go right on and finish a lot of these primary roads, or at least give them—and secondary roads—their share because all the traffic into the interstate feeds from them.

Mr. **Bivens**. Maybe I should comment a little on this insurance thing and reflect to you a little bit of some of the complaints that we hear. We hear generally that these liability insurance rates have gone up, I think Tom mentioned around 300 percent. And if you've got the bucks, you can pay for it. But the other sad thing about it, some of them have been canceled totally. We get that comment. The insurance company just canceled them. And the reason that they give—we get this secondhand, of course—but the reason they get is for some of the liberal settlements that have been made in some of the court cases.

Senator **Symms**. Right. Well, now, Tom, you said you used to sell truck liability insurance for $1,500.

Mr. **Hovenden**. Yes. One truck, long haul.

Senator SYMMS. Parke just got through saying that's what it is now. Did I misunderstand both of you? Maybe that was the entire insurance package, collision and everything.

Mr. GARRARD. Senator, it varies with each of the companies. Companies are quoting what they prefer to quote. You can get $1,500 on one, $4,500 to $5,000 on another.

Senator SYMMS. Because of the very liberal settlements that have been made liability insurance is getting so prohibitive whether we're talking about Superfund or some of these other things. Under Superfund, they can't get anybody to do the cleanup jobs because nobody can buy liability insurance to protect them from the risk and they don't know where they'll end up.

It's true for the malpractice insurance for physicians, and now other people are starting to get hit with malpractice suits in areas of consumer product liability. I think something has to be done to correct this because we're becoming a society of litigation instead of one of production.

I can remember when the Idaho Highway Department used to go out and look at a road and make a decision on it, and 3 years from the time they started planning that road they were cutting a ribbon on it.

Now we have a lot longer planning cycle. One fellow said to me that if we keep it up, we can do away with the builders because we will spend all of our time planning. It takes so long to get through the Department of Transportation when you have to plan for all the archeology and panther crossings. It just takes longer to get in compliance with everything, so I think there's a point.

But anyway, thank you both very much for your testimony. You make a good contribution to our hearing record.

Mr. HOVENDEN. Senator, can I say one thing on the insurance deal?

Senator SYMMS. You sure may.

Mr. HOVENDEN. I think maybe someone should tell the insurance industry, say, Now, look, here's an industry out here that needs insurance. I don't want you all running out the window, you'd better get your heads together and get down and look at that thing.

If they all decide to get out, then they just want the cream. They don't want to take anything else. That's only natural, but they should as an industry say this thing needs to be taken care of and this thing is out of hand. Boys, all of you get your heads together or we'll hit you on the head.

Senator SYMMS. Thank you very much, Dave and Tom. We appreciate you being here.

The next witness, Mr. Jay Clemens, executive director of the Boise Chamber of Commerce.

Mr. CLEMENS. Good afternoon, Senator.

Senator SYMMS. Welcome to the committee.

STATEMENT OF JAY CLEMENS, PRESIDENT, BOISE AREA CHAMBER OF COMMERCE

Mr. CLEMENS. I am Jay Clemens and I'm president of the Boise Area Chamber of Commerce and we do have prepared text today which I have handed out. And I will not take your time to read that verbatim, but I will summarize some of the concerns that our organization has.

I'd like to begin with expressing our appreciation for your bringing this committee to the Boise area so that our citizens can speak about some of our concerns.

We'd also like to take the opportunity to acknowledge your efforts as a champion for highway improvement in our State. We appreciate your support very much and look forward to more down the road.

Very briefly, I'd like to comment about a couple of our concerns. Idaho has a unique highway problem with a large State geographically and a very small population which makes it very difficult to fund needed highway improvements without a strong Federal commitment and partnership with the State to make improvements possible.

This participation serves the common good of our State and people outside of our State. We're a unique State. We're on the way to many places and we need a very good highway system. We urge your continued attention to funding issues on behalf of the State of Idaho such as receiving at least a minimum share of our urban funds.

We have a couple of very important local issues. One has been mentioned previously this morning, and that's the Horseshoe Bend hill area. We, too, are very pleased to see that project being worked on and join with others in thanking you to see that occur.

Probably one of the most significant highway issues to the Boise metropolitan area in this half of this century is the Chinden-Broadway connector. It's a significant urban project that's going to have a significant impact on this community. Its need is unanimously recognized by this community, and we appreciate very much the support the Federal Government has given it and the partnership that they are working with our State in. Your continued support of that project is needed. We need your continued attention and commitment to make sure that that project becomes a reality in the future.

Thank you very much.

Senator SYMMS. Thank you very much. Do you believe if we could get half of it paid for by the Federal Government, we could work it out with the State and local and private sector? We may get more than that at the rate we're chipping away at it because we've gotten a couple extra million dollars in there that I hadn't computed originally.

Mr. CLEMENS. I don't think I'd want to tie our hands at half. I think we're optimistic that there are more funds available and we'd like to see more funding.

Senator SYMMS. Well, we'll continue to work at it, and I think we'll eventually get it completed.

Jay, I thank you very much for your excellent testimony and your entire statement will be included in the record. Thank you for being here.

Mr. CLEMENS. Thank you.

Senator SYMMS. Our next witness is Hon. Lydia Edwards, transportation committee, Idaho State House of Representatives, commonly referred to as Miss Horseshoe Bend.

STATEMENT OF HON. LYDIA EDWARDS, REPRESENTATIVE, IDAHO HOUSE OF REPRESENTATIVES

Representative **Edwards**. Mr. Chairman, if I may, I'd like to bring a gentleman with me who would ask a couple of questions of the Chair, if allowed.

Senator **Symms**. Thank you, and you're welcome to.

Representative **Edwards**. This is Mr. Tom Pasley who is a former county commissioner for Gem County.

Senator **Symms**. Tom Pasley. Thank you.

Representative **Edwards**. I'm going to talk to you today, Mr. Chairman, about Horseshoe Bend Hill. I was so happy to hear from Mr. Bender and Mr. Clemens because I was fearful that we were only going to discuss Ada County projects for a while.

Most everybody knows where Horseshoe Bend Hill is. At least the section that I referred to is part of our primary system on Highway 55 just 20 miles north of Boise. And, of course, if you like to gather your own firewood and go fishing and skiing or if you just do business between the Port of Lewiston and southern Idaho, you would use that section of the highway quite a bit.

But the project that began 3 years ago to draw the attention of the Idaho Transportation Board to this particular problem was one of the citizenry. It was a ground swell of support assisted by highway users, city and county and State legislators, all officials from all sectors of the life of the business community. And it reminded me a little bit at times of the particular religious practice of fasting where you pray in order to draw the divine attention to a particular need. And while we did not always have that much trouble, it was after some very careful examination by the transportation board and their engineers that they were convinced that there was indeed an economic need to repair that section of the road and indeed there was a safety factor to be encouraged there.

So we encourage them to place this particular project well up on their high priority critical area list. And after careful and thorough study and at the recommendations of their capable engineers, the transportation board did set a schedule last year and I'm happy to report that this project is pretty much on schedule, and we expect to have a new road by the end of 1987.

Of course, Mr. Chairman, this project cannot be developed in any date without special funding from the Federal Highway Administration to pay for it. The cost is estimated at $25 million. It is an important and large commitment of funds, but as we know and has been demonstrated by the citizenry, it is a vital and crucial economic link.

During the evaluation of this particular project, Mr. Chairman, you demonstrated a keen interest and have already assisted us on one occasion and did acquire $2 million in emergency funds to keep the road open when a major slide occurred. We thank you for that, Mr. Chairman.

But now, Mr. Chairman, we come to the well again. We ask you to urge the Federal Highway Administration to see that maximum emergency relief funds are made available to us for completion of this project.

We thank the transportation board. And when I say we, I do refer to the citizenry, the citizens of Idaho all the way to the Port of Lewiston who assisted me in bringing this project to the attention of the board.

And I thank the staff of the transportation department and, of course, for your considerable influence, Mr. Chairman.

As I conclude my remarks, I would like to mention that I would oppose any diversion of the funds from the Federal highway trust fund for any exotic or foreign uses, such has been referred to as the mass transit and other uses. That is diabolically opposed to our own State constitutional directive which says that highway user funds including gas money must be used for highway-related needs. So I would like to emphasize that point, Mr. Chairman.

In deference for my friend here, Mr. Pasley, I will not finish my prepared remarks but instead give him my time, Mr. Chairman. And he has some remarks he would like to make and some questions he would like to ask about the connector that he and a group of citizens from Gem County have proposed between the city of Emmett and the city of Council. So with that, Mr. Chairman, I thank you.

Senator SYMMS. Well, thank you very much. I just want to compliment you for your effort with respect to this project and how well you've represented the people in your area that were directly impacted by the road. I remember very well when I got a call that said that the Federal Highway Administration had now finally determined that Horseshoe Bend Hill qualified for emergency funding, and we were going to be able to do it. My first comment was, wait until Lydia Edwards hears about this. She'll be walking on clouds for several days.

I know that you worked on it long and hard, and I'm delighted it turned out this way. I think that it certainly is a stretch of road that is very highly traveled, very unsafe and very important that it get completed. And I'm confident that once it is completed in 1987, that they'll have it done this time on a piece of ground that won't slide off. At least we certainly hope so.

Representative EDWARDS. Thank you very much.

Senator SYMMS. Mr. Pasley.

STATEMENT OF TOM PASLEY, FORMER COMMISSIONER, GEM COUNTY COMMISSION

Mr. PASLEY. I would like to thank Representative Edwards for this time and the committee for giving me a few minutes here.

For a number of years we in Gem County have been working to try to get some semblance of a road between Emmett and Council. This isn't just a provincial project, incidentally. It does give the State of Idaho a complete highway almost from north Idaho right on into this area. And we feel that it is an important leg of the State highway system once it could be brought into reality.

Recently or just yesterday I heard a portion of a letter from the State Highway Department to one of the present commissioners and we are getting a sympathetic understanding from the State transportation system.

Senator SYMMS. Is there a gravel road through there now?

Mr. **Pasley**. There is a seasonal road really. People try to use it the year round if possible.

Senator **Symms**. That would go straight south of Council and then turn a little east and come over the mountain into where?

Mr. **Pasley**. It would come through Indian Valley.

Senator **Symms**. Was it Bear?

Mr. **Pasley**. No. It would be east of that. And it's practically a high plateau all the way through there and it is snow-free for the most part.

Senator **Symms**. How far is it?

Mr. **Pasley**. Between 50 and 60 miles.

Senator **Symms**. And there's no paved road in that section?

Mr. **Pasley**. There's no paved road. It's a gravel and dirt road.

Senator **Symms**. Are you suggesting we get it designated as a State highway or secondary road?

Mr. **Pasley**. No. I just have a question. Would you have any suggestion of anything that we might do to sort of promote this and keep it on the burner?

Senator **Symms**. Well, I think you're starting at the right place here, and I think if you're corresponding with the Idaho Department of Transportation, that's the first priority. Then certainly the interest of this committee is not going to be detrimental to it. However, I do think that the first step is to get it designated on the State list.

I'd refer to counsel, if that's correct. But you need to get it designated to get it on a Federal aid system, I think is the point.

We'll be glad to work with you on it and see what can be done. There are long, long lists of road needs and the way to do it is to get started on it. Once you get it started, after years and years some of these things come to fruition, but sometimes it does take a long time. So I think you're doing the right thing now.

Mr. **Pasley**. I'm aware that it would be a low priority at this time, but it also would be a reliever route for truck transportation and relieve a lot of the congestion now on Highway 55 so it would be an area of statewide improvement.

Senator **Symms**. So people coming south to Council would be on Highway 95 and then where the road turns the corner, it would go right on straight south?

Mr. **Pasley**. Yes.

Senator **Symms**. OK. Thank you very much. I appreciate both of your testimony.

Representative **Edwards**. Thank you, Mr. Chairman, for having us here.

Senator **Symms**. Thank you very much, Lydia.

The next witness is Mr. Skip White who hails from Coeur d'Alene with the Associated Logging Contractors. Skip, nice to have you come down today to testify. Skip is a veteran of many of these hearings.

STATEMENT OF H.W. WHITE, EXECUTIVE SECRETARY, ASSOCIATED LOGGING CONTRACTORS OF IDAHO

Mr. **White**. Mr. Chairman, thank you once again for the opportunity to address your subcommittee on this very important subject of highway funding. My name is H.W. "Skip" White. I'm executive secretary of the Associated Logging Contractors of Idaho which is an association of independent logging contractors who live and operate throughout the State of Idaho.

Basically we are family owned and operated types of small independent business. We pride ourselves on being one of the last vestiges of the true, free enterprise system.

In 1982 when we provided testimony to the STAA hearings our numbers were over 900. Our present membership is less than 600. I would not try to tie the STAA of 1982 to our reduction in membership, but it certainly has had a significant impact on the cost of doing business in the forest transportation part of our business.

Let me provide you with one example of the cost of log trucks in the State of Idaho; 1982 third quarter Federal tax was $920.43; 1983 third quarter Federal tax was $2,747.89.

This tremendous increase in fuel tax occurred at the same time period as log prices and obviously truck prices were declining. In addition to that we had a significant change in the excise tax paid on log truck tires.

One of the facts that we feel you failed to consider in the passage of the STAA of 1982 was in some cases the extremely short life expectancy of tires operated on log trucks in the state of Idaho. It has not been unusual for tires to have a truck life of less than 50 miles—500 miles—and in some cases as short as 50 miles due to the rocks and other types of driving hazards we encounter. But we do sincerely appreciate your committee's consideration and the established 25-percent reduction in the cost of registration for logs trucks.

But I would like to emphasize that we haul during a quite limited season mainly during daylight hours as well as hauling empty one way on every trip that we make to the log yard. I state this only because I still stand firmly convinced that rather than the 25-percent reduction we should, in fact, have a 50-percent reduction on registration.

We feel that in the past we have justified this thoroughly and still ask for your further consideration for an additional 25 percent or a total of 50 percent reduction in registration on log trucks.

For your information, I would point out that in the State of Idaho we have approximately 640 miles of interstate routes of which 570 miles are south of the Salmon River and the remaining 70 miles north. I would like to add to this that approximately 65 percent of logging in the State is done north of the Salmon River and 35 percent is either done south or east of the Salmon River.

The STAA of 1982 designated that 60 percent of the money collected would be mandated for the improvement of the interstate highway system, therefore, leaving approximately 40 percent for primary, secondary, and forest highway roads as well as bridge, railroad crossings, and other types of structures that are required for highway network.

I am certain that this committee well remembers our comments concerning the increase that was forced on us by the STAA of 1982. We have, in fact, learned to live with this increase, and once again I commend this committee in their agonizing consideration of what should be done in the most fair and equitable method and agreeing basically that the interstate system was in dire need of repair.

As I understand information provided by the Idaho State Department of Highways and other entities involved in road construction and road maintenance, most all of the necessary projects and improvements to the interstate system in Idaho have either been completed, construction is underway, or money and projects have been allocated.

The people that I work for and represent spend less than 10 percent of their hauling miles on the interstate system. Gentlemen, our problem is not interstates. Our problem is the so-called farm-to-market road network which includes the primary, secondary, and county road systems. We are willing to continue paying the fuel tax as described if you are willing to shift the emphasis from the interstate system to the primary, second, and county road systems of this State. It simply does us no good to have the finest interstate system in the universe if we cannot get the products that we haul from the forest work roads to that interstate system. The secondary roads that are mainly used by log haulers in the State are in such condition that load limits go on way before there is any damage and are left on long after there is any need on the long chance that damage will occur due primarily to the fact that these local units cannot accept any risk or damage because they are so short of money.

Mr. Chairman and members, if we are to continue the STAA at its present levels of taxing, we strongly urge that you consider heavily funding the so-called farm-to-market sector of the road network in the United States of America.

We also ask for your consideration in increasing the speed limit from the present 55 miles an hour which, if I understand correctly, was imposed on the United States to effect reduction in fuel consumption. The 55-mile speed limit simply does not fit in many parts of the State of Idaho and other States of the West.

We strongly feel that any money generated by Federal fuel tax paid by trucks should be spent only on highway improvement.

We also suggest that alternate methods of highway construction financing should or might include the toll road concept. We see nothing wrong with those that use the facility to pay for that facility.

There is a great need in the State of Idaho for rerouting and changing and improving many of our primary roads. I suggest to you that Highway 95 is an outstanding example of toll road financing, could and should be used to provide an up-to-date, modern highway network from the north of Idaho to the south.

Thank you for your consideration. I would certainly attempt to answer any questions that you or the members of your committee ask me.

Senator SYMMS. Thank you very much. I'm interested in the ongoing effort to try to give the logging truck a fair shake. I think that the case certainly was well made that logging trucks normally drive on dirt roads that are off the highway system and wear their tires out quicker than normal.

Would the tire tax on logging trucks be one that you think that would be a very important one? How much of this $2,700 in taxes is tire tax and how much is fuel tax and how much is use tax? Or if you don't have that, maybe we could get a breakdown on it.

Mr. **White**. Mr. Chairman, those figures I gave you are strictly fuel tax. That does not include the excise tax on tires or the excise tax on the purchase of the truck itself. That's strictly fuel tax.

Senator **Symms**. They've gone from what used to be 4 cents to an additional 5 and then another 6.

Mr. **White**. Yes, sir.

Senator **Symms**. But there should be a break on that, in my view, for the percentages driven off-road. Is there no break on any of that?

Mr. **White**. Mr. Chairman, there is a consideration for any roads that maintenance is provided for, fuel tax is excluded from.

Senator **Symms**. So, will there be any way that any of these truckers can file for a refund at the end of the year on part of that $2,700?

Mr. **White**. No, sir, there would not be any way. That is money that was due and paid on the miles of road that were covered under the STA of 1982.

Senator **Symms**. OK. Well, we'll work with you on that and see what can be done. We tried to go 50 percent as you know and ended up getting 25 percent, but I think that you've got a good case and I'm willing to try to work on that, particularly with the numbers that are as dramatic as these.

Thanks very much, Skip. I appreciate your testimony. Did you have something else you were going to say?

Mr. **White**. Senator, I just want to thank you for your continued efforts on our behalf, and we certainly stand ready and hopefully able to provide any information or help that you might require of us.

Senator **Symms**. Thank you very much.

Next we have a panel consisting of Jane Lloyd, Ada Citizens Together, and Paul Gray, vice president of St. Luke's Regional Medical Center. Jane and Paul, please come right up.

Ms. **Polson**. Excuse me, Senator. I am not Jane Lloyd. However, since she cannot remain to this hour, she's asked me to submit her testimony.

Senator **Symms**. Thank you, and your name is——

Ms. **Polson**. Vickie Polson.

Senator **Symms**. Do you want to deliver her testimony?

Ms. **Polson**. Oh, no, I don't need to. This will speak for itself. Thank you. (See p. 88.)

Senator **Symms**. Paul, go right ahead.

STATEMENT OF PAUL GRAY, VICE PRESIDENT, ST. LUKE'S REGIONAL MEDICAL CENTER

Mr. **Gray**. Thank you, Mr. Chairman. I'm just as hungry as you are, so I'll be brief.

Let me speak to the Broadway-Chinden connector project. The complex represented by St. Luke's Regional Medical Center, the Mountain States Tumor Institute, Mountain States Surgery Center, and all of the private physicians who office in that vicinity comprise, as you know, a major regional referral center for inpatient and outpatient health services. In fact, that center serves all of the State of Idaho, southeast Oregon, and northern Nevada, an area comprising 150,000 square miles for some of these services.

Some of those services, particularly in regard to newborn intensive care, cancer diagnosis and treatment, diseases of the heart and vascular system, some of those services are available nowhere else in the State, nor, in fact, the region.

It goes without saying that routine and emergency access to those services is absolutely critical for us to be able to provide them effectively. And so we're critically interested in anything that improves that access.

A growing part of our primary service market is the western part of Ada County and points to the southwest. The Broadway-Chinden connector would greatly improve particularly the emergency access to our facilities coming through the downtown Boise area. We feel that is absolutely critical, and in combination with some of the other changes in roads that are planned around St. Luke's would vastly improve the access our patients have to our facilities.

So I just wanted to indicate that we are very strongly in support of that project and hope you will consider that.

Senator SYMMS. Thank you very much. You have my strong support on it. We hope we'll be totally successful as the time progresses.

The next witness, Mr. L.E. Little from the Idaho National Engineering Laboratory in Idaho Falls.

A point that is often overlooked, I think, Mr. Little, that you probably aren't going to say or maybe you are, but 6 percent of all the employment in the State of Idaho takes place at INEL working for the various contractors of which some are Boise firms like Morrison-Knudsen and then there are others, Exxon, Westinghouse, EG&G, Argonne, and others. We welcome having you here today. A point that people in Idaho just aren't aware of is that the budget at INEL is bigger than the entire State budget of Idaho.

STATEMENT OF L.E. LITTLE, IDAHO NATIONAL ENGINEERING LABORATORY

Mr. LITTLE. Thank you, Senator Symms.

Senator Symms, committee members, I am L.E. Little of the U.S. Department of Energy, the Idaho operations office. My purpose today is to present a major safety concern we have at the Idaho National Engineering Laboratory, that is, the 44-mile segment of Highway 20 from Idaho Falls to the Idaho National Engineering Laboratory.

INEL, the Nation's principal testing station for nuclear reactors and related research, was established in 1949 and we now have a current employment population of over 9,000 personnel.

U.S. Highway 20 is the two-lane main access route to the INEL with three primary intersections leading onto the Idaho National Engineering Laboratory. Every day over 3,800 employees travel to and from the site in 196 site buses. Also, an additional 1,000 employees, including numerous construction workers, drive personal vehicles to and from the test site.

U.S. Highway 20 is also—particularly this segment—is a direct route to the recreational areas such as Sun Valley, Craters of the Moon, and also Experimental Breeder Reactor I, a national monument which is on our test site, which last year we had over 8,000 visitors through EBR I onto our test site.

In the past 5 years we've had over 345 accidents on this short 44-mile segment of rural highway resulting in seven deaths and over 200 injuries. The safety of both our Federal contractor personnel at the INEL test site and the general public will continue to be in jeopardy until improvements are made on this segment of Highway 20 which serves as the major logistics route to the Idaho National Engineering Laboratory.

Also, our projected growth at INEL and the projected growth of this socioeconomic base of southeastern Idaho will further increase this traffic safety problem. Our current density of trucks, Army equipment, recreational vehicles, trailers, motor homes, site buses, large loads going to the site and so forth, and local residents, exceeds the capacity of this highway, particularly during the peak morning hours when the mass of people are going to work and in the late evening hours when they return. We really load that highway up at those times.

According to the Idaho State Police which we've worked a lot with, a large percentage of the private vehicles are speeding and this is really further complicated by our buses which travel at a maximum of 55-miles-an-hour to and from the site. We have numerous routes of buses going back and forth every day. This very unusual traffic mix of recreational vehicles, farm equipment, site buses, and the private vehicles increases the potential for unsafe passing, head-on collisions and loss of vehicular control, particularly on this section of highway.

Then the traffic problems are further complicated by the southeastern Idaho climate such as in the summer our dust storms, irrigation sprinklers, fog, and in the winter in particular black ice and blowing and drifting snow. In fact, last winter this segment of Highway 20 was shutdown three times due to severe snow and winter conditions with the drifting snow with approximately 6 lost days of work out at INEL.

We've worked with the State as a temporary fix trying to get a temporary solution and particularly at the main intersection of 20-26 and the main access route onto the site. We've brought power down to that site so the State can put in some temporary flashing beacons to help slow the traffic down at that point. They will have these installed by the end of next week.

They've also—the State has put in appropriate caution and speed control signs at all three intersections, so we're doing on a temporary basis what we can to slow things down there.

After studying several alternatives which we've looked at such as rapid transit systems or monorail systems, people-movers to get people from Idaho Falls to the site, the recommendation still comes out that what is needed is a major road improvement which could be done in four phases.

The city of Idaho Falls has in planning major improvements in town for routing the traffic to the north central and south sectors of Idaho Falls out to the west side of town where it could connect into Highway 20 and onto the test site. Then the four phases of construction that we're recommending would include approximately 44 miles of four-lane highway with three major overpasses at the INEL intersections. The estimated cost for this would be approximately $60 million for all this work.

These recommended improvements are more fully described in the written material I submitted for the hearing record, and they have been discussed with the State and Federal highway personnel and other interested parties.

Also, Mr. Richard Strothers of EG&G who is here with me today has a videotape which I think depicts this problem I'm trying to describe much better. And if anybody has an opportunity, would like to, just contact either Richard or I. We will be glad to show you a tape presentation of this safety problem going to and from the site.

Senator SYMMS. How long is that tape?

Mr. LITTLE. It's about 17 minutes. I think Taylor Bowlden has already seen the tape.

I want to thank you for giving me the opportunity to present this major safety concern we have at the INEL. We think it's kind of a shame that we spend so much time and effort protecting all the workers on the nuclear safety end and yet daily ask them to take this risk going back and forth to the site every day.

I'm looking forward to the improvements that can be made to this highway that will increase the safety to both our site personnel and the general public.

Senator SYMMS. I would assume then that the safety risk is much higher on that stretch of highway getting to and from work than it is working around those reactors.

Mr. LITTLE. Much, much more so.

Senator SYMMS. What you're also saying is that the nature of that traffic is so that it encourages people to attempt to pass the buses and the farm equipment and since it's such a narrow road that they run the risk of head-on collisions?

Mr. LITTLE. That is true. It's kind of a unique traffic mix. In those early morning hours when you've got 196 buses on that stretch of 44-mile highway and then the farm equipment starting out and then in the summertime a lot of RV vehicles on that and private automobiles trying to weave in and out, it really does present——

Senator SYMMS. There's 196 buses each day?

Mr. LITTLE. Each day, yes.

Senator SYMMS. Going each way. I mean they go out in the morning and back in the afternoon?

Mr. LITTLE. Yes. A few of those do come up Highway 26 from the Blackfoot, Pocatello area. Most of them are on the main stretch, though, from Idaho Falls to the test site.

Senator SYMMS. Thank you very much. I appreciate your testimony. I've been looking at that stretch of road and we are going to continue to pursue that and see what can be done about it. It's certainly time to get started.

As I said at the outset of the hearings, are there any witnesses here that did not get their name on the list that wish to testify? If not, the hearing record will be kept open for a couple of weeks so if anyone wants to submit testimony, we would welcome it. I want to thank all the witnesses that made this hearing a success, and gave our committee some excellent arguments in favor of the continuation of a sound Highway Program.

The committee stands in recess.

[The hearing adjourned at 1:10 p.m.]

[Whereupon at 1:10 p.m. the hearing was recessed, to reconvene at the call of the Chair.]

[Statements submitted for the record follow:]

TESTIMONY BY

E. DEAN TISDALE
DIRECTOR
IDAHO TRANSPORTATION DEPARTMENT

ON THE FUTURE OF
THE FEDERAL-AID HIGHWAY PROGRAM

BEFORE THE TRANSPORTATION SUBCOMMITTEE
OF THE
SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE

BOISE, IDAHO
AUGUST 29, 1985

Introduction

Mr. Chairman and committee members, welcome back to Idaho!

I am Dean Tisdale, Director of the Idaho Transportation Department, speaking on behalf of the Idaho Transportation Board and Governor John Evans. We are pleased that you are holding this hearing in Boise and we welcome this opportunity to present our views on the future of the Federal-aid Highway Program.

Over the years, Idaho has been extensively involved in assisting in the development of highway policies and other transportation policies for the National Governor's Association, the American Association of State Highway and Transportation Officials, and the Western Association of State Highway and Transportation Officials. Our views, therefore, are supportive of many of the formal positions adopted by those organizations.

General Statement

The Executive Summary of AASHTO's "A New Focus for America's Highways" provides an excellent summation of the principles that should govern any future highway programs.

1. The nation's highways must be preserved; deterioration should not be tolerated.

2. A Federal program of aid to states for highways of national significance and for state and local programs is required to assure that highway demands are met.

3. The processes involved in conducting a national highway program must be simplified to help ensure efficient, timely use of available funding.

4. The stability of state highway programs must be maintained and enhanced. Adequate federal funding is needed to enable delivery of services to those paying for and using the system.

Interstate Cost Estimate

We applaud this committee's action in originating Senate Bill 1514 for a one year Interstate Cost Estimate. Hopefully, the House will deal with this measure separately and legislation can be enacted to free already-authorized funds for Interstate construction and Interstate substitute projects.

We urge this committee to use its influence to have included in any new legislation on this subject a provision allowing for administrative release of Interstate construction funds.

Interstate 4R

We think that any Interstate 4R apportionment formula should consider the extent of the system and the intensity of use. The extent of the system is most accurately measured in lane miles whereas usage is most accurately measured in vehicle volumes/weights. The Interstate 4R apportionment is especially critical to "Bridge" states where truck travel through the state between out-of-state high population areas is a major portion of truck volumes.

If the present 55 percent lane miles, 45 percent vehicle miles of travel formula is to be reconsidered for change, it should consist of at least 60 percent lane miles. The remaining percentage should continue to be based on use as measured by vehicle miles traveled, or similar factors which measure both volume and weight. Statewide fuel consumption and population are not directly related to Interstate travel and should not be used as factors in Interstate 4R apportionments.

Combined Interstate 4R and Primary Programs

We support proposals to merge the Interstate 4R and Primary programs, providing the distribution formula provides apportionments at approximately current levels.

For Idaho, a new, single program would provide a better opportunity to allocate highway funding resources to areas of greatest need. At the present time, we have an overall imbalance between funds and needs with the Primary system being grossly under-funded. The estimated twelve-year highway needs for the Idaho Primary system amounts to $963 million. Annually, this is $80 million per year. When this is compared to an annual Federal-aid program of $23 million, the percent of needs being met is 29% With such a large backlog of needs on the 2500 mile Primary system, the public questions some of the work we do in rehabilitating the Interstate system.

Highway Trust Fund

In the recent past, Congress has had to include the extension of the Highway Trust Fund in periodic Federal-aid highway acts. Since that is the case, and huge backlogs of highway needs are ever present, it would seem practical to make the trust fund a permanent feature as a reliable source of predictable funding for transportation improvements.

We are concerned, however, about the current trend toward diverting highway user revenues to programs entirely foreign to the purposes for which the Highway Trust Fund was established. These include:

1. Transfer of $1.2 billion of Federal fuel-tax revenues to the Mass Transit Account.
2. A suggestion by the Office of Management and Budget that interest on the Highway Trust fund accrue to the General Fund.

3. The Administration's 1986 budget proposal to fund Interstate transfer transit projects from the Highway Trust Fund.

4. Testimony of Transportation Secretary Dole to the House Energy Committee that suggested the loss of federal support for Amtrak could be replaced by subsidies from state gasoline taxes.

5. Proposed legislation to significantly increase the Federal per gallon motor fuels tax for the purpose of reducing the Federal deficit.

Block Grant Program of Highways of State and Local Interest

We support AASHTO's recommendation for a state-administered block grant Program of Highways of State and Local Interest for projects on the current Federal-aid Secondary and Urban systems, non-Primary Bridges and Highway Safety other than construction. The program should make the States responsible for design standards and eliminate state matching requirements.

Of importance to Idaho and other "high mileage - low population" states is the continuation of the formula distribution feature of the Federal-aid program. Block grant funds should be distributed on the basis that no state should receive less than what it is presently receiving under the several Federal-aid programs.

Under the block grant option, the use of up to two percent of a state's block grant for planning and research activities should be permissible, but not mandatory. Each state should have the option of whether or not it uses a portion of its Block Grant funds for planning and research or uses it all for engineering, right-of-way and construction. Needs will vary from state to state.

Bridge Replacement and Rehabilitation Programs

The cost of replacing or rehabilitating bridges on the Federal-aid systems alone will total over 24 billion dollars, according to the Federal Highway Administration's fifth annual report to Congress. At the 2.05 billion dollar authorization level for 1986 it will obviously take many years to adequately address all identified bridge needs. Idaho supports increased authorizations for the bridge program.

Forest Highways

We would like to see retained the present "blended" Forest Highway distribution formula for fiscal years 1985 and 1986 which recognizes national forest land area and land value. Idaho receives a million dollars more under the blended formula than it would using only the new formula resulting from the 1982 Highway Act. We believe the new formula over-emphasizes recreational usage and generally disregards land area and value.

There has been some discussion at the Federal level of increasing the forest highway authorization from 50 to 75 million dollars annually and reducing the public lands highway authorizations from 50 to 25 million dollars annually. We support increasing the forest highway program, but we oppose increasing it at the expense of the public lands highway program.

Exemptions for Gasohol

Any new highway legislation should eliminate all Federal fuel tax exemptions for alcohol fuels because of their drain on the Highway Trust Fund. If the national interest requires that the exemptions be retained, they should be subsidized from the General Fund of the U.S. Treasury rather than the Highway Trust Fund. Regardless of the fuel used, all vehicles contribute to highway deterioration, and to exclude gasohol-fueled vehicles from paying their fair share is not consistent with the "pay as you go" concept which has been the cornerstone of our highly successful Highway Trust Fund and Federal-aid Highway Program.

Mass Transit Funds

Presently, Idaho pays approximately $4.4 million into the Mass Transit Account, yet receives back only $253,933. We believe this is an unreasonable distribution of Mass Transit funds to Idaho. Therefore, we support a formula distribution from the Mass Transit funds that would provide a more reasonable return and a guarantee that no state should receive less than 1/2 of 1% minimum allocation.

Each state should have the option to use the funds on transportation facilities other than transit according to the needs of the individual state. This is an important feature to states with smaller urbanized areas.

55 MPH National Speed Limit

The 55 mph national speed limit was enacted in response to the petroleum crisis of 1974. It was proposed initially as 50 mph but raised to 55 mph as a compromise with the western states that advocated 60 mph. The petroleum crisis receded, but the 55 mph limit was retained because of the safety benefit.

Since 1974 there has been a massive upgrading of the Interstate safety environment via rehabilitation construction. High standards of safety design are now an integral part of every project and safety design procedures are written in all states' design manuals. Further, safety design is now a permanent and major aspect of vehicle manufacture. Tort liability is a major driving force for Idaho to continue to improve the highway safety environment.

We believe that if a national speed limit is retained, Federal sanction regulations should be eliminated or at least revised because they bear no relationship to accident histories, speed enforcement or relative safety conditions on different highway systems within a state.

In closing, our greatest and most immediate concern is approval of an Interstate Cost Estimate prior to October 1, 1985. Early passage is essential to avoid severe disruption to state highway programs resulting in extended delays and increased costs in Interstate and other highway projects. If Congress fails to act promptly on future Interstate Cost Estimates, the states will not be able to meet the completion schedule set in the 1982 Surface Transportation Assistance Act.

TESTIMONY BY

A.E. STONE

DIRECTOR, NEVADA DEPARTMENT OF TRANSPORTATION

AND

PRESIDENT, WESTERN ASSOCIATION

OF

STATE HIGHWAY & TRANSPORTATION OFFICIALS

AUGUST 29, 1985

Mr. Chairman, my name is Al Stone, Director of the Nevada Department of Transportation and President of the Western Association of State Highway and Transportation Officials (WASHTO). I am testifying today on behalf of WASHTO (16 western states) as well as my own great State of Nevada.

It gives me great pleasure to respond to many of the issues requested by your subcommittee for the reauthorization of the Federal-Aid Highway Program. The issues identified by your subcommittee are certainly issues of vital interest to the western states.

ROLE OF FEDERAL GOVERNMENT IN HIGHWAY TRANSPORTATION

Nevada, like Idaho, and most other western states are large in area and small in population, and therefore has a small tax base from which to draw. I have brought with me today a map of the State of Nevada as well as a map of the United States to indicate private and federal lands. White depicts non-federal and black depicts federal lands. In my opinion, these maps would startle some of our friends in the eastern part of our country. Over 85% of the total land in Nevada is controlled by the federal government. This leaves only 15% in private ownership or with the people who actually pay the taxes in our state. This does not include state and local government which own approximately two percent.

Nevada has a $.13 state gasoline and diesel fuel tax. The local entities have a local option for an additional $.05, for a total of $.18 from the state and local level. We rank among the highest of all the states in taxing our own people.

Nevada, like most western states, is a bridge state between the west coast and eastern part of our country. Interstate 80, which connects San Francisco with New York, has approximately 412 miles in the State of Nevada. About 43% of the traffic in rural Nevada consists of heavy vehicles, which cause the greatest deterioration to the nation's highway system. Well over half of these heavy vehicles do not originate or have a destination in our state. An 18-wheeler can fill up with diesel fuel in Oakland, California and drive to Cheyenne, Wyoming or further before refilling again.

Interstate 80 is a vital link in the total Federal-aid Interstate System, which connects San Francisco via Chicago to New York. Nevada's 412 miles on Interstate 80 is greater than the total mileage in California, Illinois and New York combined. With less than one million population in our state, we cannot provide this 412 mile link as a "freebie" to these gigantic, industrial and distribution centers.

There are several bills in Congress that do not offer protection for the Federal-aid system. H. R. 3129 would take away $14 million per year in Interstate 4R funds from Nevada in order to increase these funds in California, Illinois and New York. Senator Lawton Chiles bill would impact Nevada by $12 million per year.

For several years the Western Association of State Highway and Transportation Officials has supported and recommended that the Interstate 4R apportionment formula should be based on 60% lane miles and 40% vehicle miles of travel. Presently, the distribution is made on the basis of 55% lane miles and 45% vehicle miles of travel. To change this formula to omit lane miles would have a devastating affect on most western states.

In summary, sending federal highway funds back to the point of collection of those funds does not protect and maintain the Federal-aid highway system in bridge states such as Montana, Idaho, Oregon, Nevada, Wyoming, Utah, New Mexico and many, many others.

The role of the Federal government must be to protect the entire federal transportation system on an equal basis, not by population or where one might or might not purchase gasoline or diesel fuel.

THE 55 MPH SPEED LIMIT

Neither WASHTO nor AASHTO has an approved policy that 55 mph is good or bad, nor do we have a policy that any other speed limit is good or bad.

State highway officials throughout the entire nation are now and must continue to be concerned with safety. Safety is the movement of people and equipment over our streets and highways without accidents that cause death and injury to people and without accidents that cause damage to vehicles and objects with which they may collide. We at the state level, are continuing to place emphasis in this area. We recognize that since neither human beings nor the vehicles they build are perfect, there will always be some accidents. But we also believe that through the adoption of good engineering practices and other techniques, we can minimize both the number and severity of accidents.

One of the major causes of accidents is when the range of speed differs between vehicles operating in the same direction. A large range or speed spread results in a large number of vehicles passing each other and weaving back and forth between lanes. Thus, when passing and weaving can be minimized there is almost always a drop in the total number of accidents. One of the impacts of the national 55 mph speed limit has been to reduce speed spread between vehicles. This results in large and small vehicles alike generally moving along in a relativly smooth traffic stream. This has in turn tended to reduce passing and weaving, and accidents have declined.

It is difficult to prove or disprove that 55 mph is the most desirable speed to effect a reduction in the speed spread. Nevada recommends that states have the option on selected roads, especially on rural interstate, to impose its own speed limits rather than have them imposed by the Federal Government. To change the speed on any section of highway in Nevada we are required by State law to make an engineering study to determine the safest speed for the study section of highway. After the study has been made we present this to our Transportation Board of Directors with a recommendation. Only after this professional approach would we ever change the speed. If speeds are adjusted to safe driving conditions of the roadway it would, in my opinion, increase compliance by the traveling public and allow us the ability to utilize enforcement where needed. I feel that state transportation departments are in a better position to determine safety on its own highways and being allowed to do so would be a step toward greater accident reduction.

WASHTO opposes the funding sanction on the highway program for non-compliance with the 55 mph. We find it to be counter-productive. When and if the sanction is imposed, it simply acts to reduce the capability of the state to make improvements to the highway system. Certainly, this does not improve the highway system and usually does the opposite. Rather than sanctions, WASHTO feels incentives should be used with respect to the 55 mph speed limit. We have adopted the following policy statement on the sanction issue:

> "Penalties for violation of enforcement of the national speed limit should be eliminated. Instead, incentive grants for meeting and exceeding the enforcement goals should be created."

THE FUTURE OF THE FEDERAL AID HIGHWAY PROGRAM

Within WASHTO and AASHTO, we believe that the Federal Highway Program should be reauthorized by Congress. In 1982 you enacted the Surface Transportation Assistance Act (STAA) of 1982, which we feel was commendable legislation. However, I am sure you recognize by holding these hearings that the STAA of 1982 was a four-year bill that is nearing the end of its life, and the time has once again come to consider the future of the highway program.

Recognizing that this Congress would be facing the issue of extending the Federal-Aid Highway Program beyond the STAA of 1982, the member departments of AASHTO spent considerable effort over the past year examining the program, its history and the future directions it might take. This effort was led by my counterpart who is a member of WASHTO, Fred Miller, of Oregon. Since Fred chaired this national effort, we feel that the western states were well represented in the proposed new program.

AASHTO has already provided you and members of your committee with copies of this report, "A New Focus of America's Highways: Recommendations on the Federal-aid Highways Program". The report will provide most of the basis for the balance of my comments.

Certainly more important than the funding level in the report is the purpose to which the funding will be used. To be specific, what should the mission of the Federal Aid Highway Program be and how should available revenue be used to make this mission a reality? Much of the year long effort by highway and transportation experts from the states in prepering this AASHTO Report was directed at answering this question. To me the important goal accomplished by the report has been to identify and establish a new concensus on the mission of the highway program in the remaining years before completion of the Interstate and after the Interstate is completed.

The 45 recommendations in the report outline a concensus on the direction the Federal Highway Program should take and I would like to emphasize just a few of these:

* A comprehensive effort to assure that the 1990 date is met for Interstate completion as currently defined.
* Continue the Interstate 4R Program with adequate funding.
* Continue and significantly increase emphasis for the Primary Highway System, much of which badly needs additional funding.
* Continuing the existing Highway Bridge Replacement and Rehabilitation Program for bridges on the Federal-aid highway system.
* Continuing the categorical programs for addressing highway safety, federal lands highways and emergency relief.
* Improve the administration of the highway program by eliminating obligation limitations, fully funding amounts authorized, increase flexibility in the use of funds, and other steps as outlined in the report.

It is the overall recommendation of AASHTO that we now recognize there are essentially two different parts to the Federal-Aid Highway Program. The first and most important element is those highways that are of significance nationally, and which provide the major access between our states and our major cities. These highways are directly related to commerce and often are beyond the capability of individual states to develop and maintain with their own resources. Federal funding is vital to this network.

The second part of our nations highway system are those of state and local interest, which provide access to the system of highways of national significance, and which in many instances have some significance nationally. Usually, however, the roads in this category are primarily of interest to meeting the local traffic needs of states and local governmental jurisdictions, and the Association believes these levels of government ought to bear most of the responsibility for such highways. Thus, we believe that federal support for highways in this category ought to be at a lesser level. Recommendations 6-23 through 6-28 are specific to these highways of state and local interest, and outline the Associations position on how they should be treated in the Federal Aid Highway Program. The recommendations propose a voluntary block grant program, with maximum flexibility and minimum red tape to assure maximum use of any available federal funds. They propose that the states administer the block grants, with the proviso that urbanized areas of 200,000 population or more should receive a portion of their states block grant funds.

The question must be asked, "What if additional federal funds to the levels identified are not available; what should then be done?" The possibility that additional funding for the Federal Aid Highway Program may not be achievable in this Congress is certainly a possibility. Should this event occur, then it is the strong recommendation of AASHTO that available federal funds first be concentrated on the programs constituting our system of highways of national significance. It is these programs that are most important and which in many instances simply cannot be adequately supported by the states; if Congressional support is not strong for these highways, the nation will clearly suffer some loss of mobility for both people and goods, a loss that will ultimately affect every American.

The member departments of AASHTO hope that additional resources can be found, through some combination of the options contained in Chapter 7 of the report, or by other means. To reiterate, we also hope that whatever authorizations are made by the Congress will be fully funded, without the imposition of damaging obligation limitations and similar devices. We point out that the highway program is not a part of the national deficit spending problem at this time, since it is funded from a dedicated Highway Trust Fund which functions independently of the General Fund.

Mr. Chairman, let me digress for a moment to thank the Committee for your efforts to establish the independence of the Highway Trust Fund in the federal budgetary process. We hope that Congress will ultimately support the concept of the Trust Fund, to the same extent as your Committee. Also let me thank you for your recent help in getting a clean ICE (Interstate Cost Estimate) passed in Senate.

Mr. Chairman, we trust these comments will be of use to the Committee in your efforts to extend the highway program. The state departments of highways and transportation that constitute WASHTO appreciate having the opportunity to provide you with our views, and we stand prepared to respond to any questions you may have either now or later.

TESTIMONY OF PARKE GARRARD
ON BEHALF OF THE

IDAHO MOTOR TRANSPORTATION ASSOCIATION

BEFORE
THE TRANSPORTATION SUBCOMMITTEE OF THE SENATE COMMITTEE
ON
ENVIRONMENT AND PUBLIC WORKS

BOISE, IDAHO, AUGUST 29, 1985

Honorable Steven D. Symms, U.S. Senator
To the Transportation Subcommittee of the Senate Committee on Environment and Public Works

STATEMENT

My name is Parke Garrard. I am the Managing Director of the Idaho Motor Transport Association (IMTA). The IMTA is a non-profit trade association, representing motor carrier and bus companies, truckers whether they own one truck or more, as well as their allied supplier companies.

I am appearing today on behalf of the Idaho Motor Transport Association membership so that your Senate Committee is alerted to issues which are of critical importance not only to the motor carrier industry and single trucker in Idaho, but the nation.

My remarks will be directed toward four main areas, although many of the areas pointed out for discussion by the committee directive warrant comment, time will not permit it. The areas are:

1) Response to the federal truck network, the Multistate Highway Transportation Agreement Longer Combination Vehicle Test (LCV)
2) Appropriations of highway user fees for non-highway purposes
3) Federal weight-distance study
4) and the current truck insurance crisis

Recently the Multistate Highway Transportation Agreement (MHTA) officially published the Four-State Combination Vehicle Test Report. The report was the response of the MHTA to the Federal Truck Network, Longer Combination Vehicle's Study.

The MHTA is a state-sanctioned forum on highway transportation, composed of nine member states: Arizona, California, Idaho, Montana, Nevada, Oregon, Utah, Washington and Wyoming.

Four of the member states: Oregon, Idaho, Nevada and Utah participated in the study of longer combination vehicles using the new federal truck dimensions and an uncapped gross weight formula. The results, as far as I know provided the only operational comparison of the Surface Transportation Assistance Act of 1982 dimensional and existing (pre STAA) longer combination vehicles and should be considered by the federal study.

BEST COPY AVAILABLE

The carrier operations carried out in the MHTA study indicate that a regional LCV network with an uncapped bridge formula would be beneficial both regionally and nationally. The existing western LCV network already accomodates local, regional and national freight, but its potential benefits are presently limited by legal restrictions in the federal law. Whether a regional network is viewed as a first step toward a national LCV network or as an entity unto itself, the federal study should expressly allow the western states to issue divisible load special permits under bridge formula and axle weight controls.

In view of the MHTA study findings, the IMTA recommends that states contained within or touched by a circumference line of 750 miles struck from Salt Lake City, Utah have the authority to issue special permits for the transportation of readily divisible loads in excess of 80,000 pounds when the vehicle combinations are in compliance with formula set forth in the subsection and the total number of axles do not exceed nine.

The U.S. Department of Transportation's recent conclusion that there is "no compelling reason" for the federal government to designate a nationwide system for the operation of Longer Combination Vehicles (LVC's) makes what the Western Trucking Associations Executive Council calls the "Pinwheel Amendment" even more important to carriers who wish to operate LCV's in the western states as it would allow those states to establish size and weight limits without federal approval provided the limits were set in accordance with the federal bridge weight formula "B".

The IMTA strongly objects to 1¢ out of every 5¢ fuel tax paid under the STAA being siphoned off to mass transit and non-highway projects, and respectfully requests that Congress make every effort to amend the 1¢ back into the STAA for highway related projects only.

The industry is hearing greater overtures that the U.S. Department of Transportation and the Federal Highway Administration is considering a federal weight-distance tax. I would like to echo the testimoney of the Western Highway Institute (WHI) that was given before this committee in Lewiston, Idaho, September 3, 1982:

A weight-distance tax, or as we know it here in Idaho as the ton-mile tax, even among those who advocate it, has not been all that attractive. The reason is simple: no tax, however fair on its face, is a good tax unless it can be collected and collected at a reasonable cost. A good tax is unavoidably paid by the taxpayer at the time the taxpayer is obtaining a necessity. Efficiency is obtained because the taxpayer cannot avoid the payment of the tax. Costs of administration are kept low because the government has a third party, the purveyor of the necessity, to keep track of the taxable transactions. Equity, on the other hand, is obtained through proper tax rates for various classes. That is the outline of a good tax, at least from the governmental point of view. Registration fees fit this pattern: highway users must pay registration fees to obtain the license plates necessary for operation on the highways. Fuel taxes fit this pattern of a good tax: fuel is a necessity for operation on the highways and a third party keeps track of the taxable transactions. Weight-distance taxes, however , do not meet the pattern as a good tax. Mileage is the result of operations on the highways and not a necessity to those operations. There is no one and no thing issuing mileage on the highways: thus, even if weight-distance or ton-mile tax rates are equitably established the tax cannot be collected and collected at a reasonable cost, failing entirely as a good tax.

The Western Highway Institute also indicated that where the ton-mile tax exists there is an existing economy consisting of those who are exempt from paying the ton-mile tax and those who evade, partially or fully, its payment. The ton-mile tax is a particularly labor-intensive tax to administer and a bureaucracy commonly grows up around its existence. Bureaucracies of course are hard to eliminate.

In theory, the ton-mile tax is supposed to be fair to everyone who falls under its requirements -- in practice, it is a tax that has many more minus implications than pluses. IMTA requests you to discourage any further efforts to pursue a study or the implimentation of a national weight-distance tax. Its administration would be cumbersome and a detriment to the nation and industry in my opinion.

One of the critical issues facing the trucking industry today is that truckers are faced with staggering increases in insurance rates. Many of the old line and re-insurance carriers are exiting the trucking market.

Federal law requires minimum insurance levels that a motor carrier or trucking company must have before it can operate and hold an Interstate Commerce Commission (I.C.C.) certificate of authority. Because of the present hard market, all existing carriers are finding it difficult to comply with the insurance requirements. Rate increases are not uncommon at levels of 300 to 500 percent for much of the industry.

The rates are an appearent result of the financial needs of the individual underwriter(s) rather than the past claims record of the motor carrier company.

There is a dire need to initiate some form of rulemaking recommendations to Congress for appropriate legislation to ease the crisis.

If the present insurance crisis is not eased, a proliferation in the industry of operating without insurance and reduced safety maintenance will be the resulting answer by those attempting to stay in business.

In summary my comments in behalf of the Idaho Motor Transport Association have recommended the following:

1) That, based on MHTA study findings, states contained within a 750 mile circle from Salt Lake City, Utah, be permitted to issue special permits for the transportation of readily divisible loads in excess of 80,000 pounds when the vehicle combinations are in compliance with the federal bridge weight formula "B".

2) The implementation of a national weight-distance tax, known as a ton-mile tax in Idaho, is not in the best interest of the trucking industry, nor the nations economy.

3) IMTA continues to oppose the diversion of highway user fees for non-highway projects.

4) REQUESTS THAT RULEMAKING RECOMMENDATIONS TO CONGRESS BE DESIGNED AND THAT APPROPRIATE LEGISLATION BE PASSED TO EASE THE TRUCKING INDUSTRY'S INSURANCE CRISIS.

I APPRECIATE THE OPPORTUNITY TO PRESENT THE IDAHO MOTOR TRANSPORT ASSOCIATIONS COMMENTS REGARDING VITAL ISSUES HAVING AN IMPACT ON THE TRUCKING INDUSTRY BOTH TODAY AND IN THE FUTURE. THANK YOU!

GREATER BOISE
CHAMBER OF COMMERCE

P. O. BOX 2368 TELEPHONE 344-5515 BOISE, IDAHO 83701
AREA CODE 208

TESTIMONY BY JAY CLEMENS, PRESIDENT, BOISE AREA CHAMBER OF COMMERCE
FOR THE SENATE TRANSPORTATION FIELD HEARINGS
U.S. SENATOR STEVE SYMMS, CHAIRMAN
August 29, 1985, Gold Room, Idaho State Capitol

SENATOR SYMMS, MEMBERS OF THE COMMITTEE, I AM JAY CLEMENS, PRESIDENT OF THE BOISE AREA CHAMBER OF COMMERCE.

IDAHO, THE 13TH LARGEST STATE IN THE NATION, GEOGRAPHICALLY, RANKS ONLY 42ND IN POPULATION WITH JUST A MILLION PEOPLE. MORE THAN 700 MILES FROM NORTHERN TIP TO SOUTHERN BOUNDARY, IT BORDERS SIX OTHER STATES AND CANADA.

RUGGEDLY MOUNTAINOUS, OUR HIGHEST PEAK RISES MORE THAN 12,000 FEET AND WE HAVE THE DEEPEST GORGE IN NORTH AMERICA, HELL'S CANYON, 7,900 FEET DEEP. WITH 7.5% OF IDAHO'S LAND IN WILDERNESS, AND 63.2% OWNED BY THE FEDERAL GOVERNMENT, THE SPARCE POPULATION CANNOT PROVIDE A TAX BASE SUFFICIENT FOR ADEQUATE TRANSPORTATION IN A STATE WHERE ALL TRANSPORTATION IS VERY COSTLY . . . THE RUGGEDNESS OF THE TERRAIN, THE INSTABILITY OF THE GEOLOGICAL MAKEUP, AND HARSH WINTER CONDITIONS PRESENT REAL CHALLENGES TO HIGHWAY CONSTRUCTION ENGINEERS. AND THE DOLLARS ADD UP QUICKLY.

DOLLARS ARE A REAL PROBLEM.

A NATURAL RESOURCE STATE, IDAHO HAS BEEN SEVERELY IMPACTED DURING THESE RECESSIONARY YEARS . . . SUFFERING GREATLY IN EACH OF ITS KEY INDUSTRIES: TIMBER, MINING AND AGRICULTURE. WE HAVE EXPERIENCED LAY-OFFS AND CLOSURES AND OUR PRESENT UNEMPLOYMENT RATE IS 6.1%. OUR FARMERS' DEBT-ASSET RATIO HAS CLIMBED TO 34.1%, COMPARED TO A NATIONAL RATE OF 20.8%.

IDAHO'S TAX BASE CAN BARELY PROVIDE MATCHING FUNDS TO AVAIL ITSELF OF ITS SHARE OF FEDERAL MONEY ALLOCATED TO HIGHWAYS. THERE IS NONE LEFT FOR STATE PROJECTS.

IMAGINE MORE THAN FOUR ACRES OF WILDERNESS FOR EVERY PERSON IN THE STATE . . . AND A TERRAIN BETWEEN THE NORTHERN AND SOUTHERN PORTIONS OF THE STATE SO RUGGED AS TO BE NEARLY IMPASSABLE. ONLY ONE HIGHWAY CONNECTS NORTH AND SOUTH: U.S. 95, WHICH, TODAY, CONSISTS STILL, IN SOME PORTIONS, OF ONLY A TWO-LANE, WINDING ROAD.

TRANSPORTATION IS EVEN MORE IMPORTANT NOW, IN IDAHO'S ECONOMIC CLIMATE. BECAUSE WE CAN NO LONGER DEPEND ON OUR NATURAL RESOURCE INDUSTRIES, WE ARE ATTEMPTING TO ATTRACT NEW INDUSTRIES . . . GOOD HIGHWAY SYSTEMS ARE A MUST.

TOURISM IS A GROWING INDUSTRY IN OUR STATE AND REQUIRES GOOD HIGHWAYS.

BOISE, THE LARGEST AND MOST URBAN CITY IN THE STATE, HAS A METROPOLITAN POPULATION OF JUST OVER 189,000. WE ARE RIGHT ON THE BRINK OF CBD REDEVELOPMENT, AND THERE IS NO CONNECTOR BETWEEN THE INTERSTATE AND THE DOWNTOWN CORE AREA. MOREOVER, THE BOISE RIVER PRESENTS A GEOGRAPHICAL BARRIER WITH VERY LIMITED CROSSINGS. THIS NEED HAS BEEN PRESENTED BEFORE, AND, THANKFULLY, THE FEDERAL GOVERNMENT HAS RESPONDED FAVORABLY. OUR CHINDEN-BROADWAY CONNECTOR APPEARS TO BE WELL ON ITS WAY TO THE CONSTRUCTION PHASE.

THIS CONNECTOR IS CRUCIAL, NOT ONLY TO THE ONLY MAJOR URBAN AREA OF THE STATE, BUT TO THE ENTIRE STATE AS WELL.

IT MEANS:

- A VITAL LINK BETWEEN THE URBAN AREA AND THE REST OF THE INTERSTATE ... IMPORTANT TO THE EVENTUAL COMPLETION OF THE INTERSTATE THROUGH IDAHO, AND THEREFORE IMPORTANT TO THOSE TRAVELING THROUGH TO NEIGHBORING STATES.

IT MEANS:

- IMPROVEMENT IN AIR QUALITY. BOISE IS THE ONLY CITY IN THE STATE WHICH VIOLATES FEDERAL STANDARDS AT SOME TIMES OF THE YEAR. THIS CONNECTOR WILL RELIEVE TRAFFIC CONGESTION AND THE STOP AND GO TRAFFIC OF THE DOWNTOWN CORE DURING PEAK TRAFFIC HOURS.

IT MEANS:

- PROVIDING ACCESS TO THE INTERSTATE AND TO THE AIRPORT FOR THE SECTIONS OF BOISE CUT OFF FROM THEM NOW BY THE BOISE RIVER, THEREBY CUTTING DOWN ON FUEL CONSUMPTION, AIR POLLUTION, AND TIME ... BOTH FOR INDIVIDUALS AND BUSINESSES.

ONE PART OF THIS IMPORTANT BROADWAY-CHINDEN CONNECTOR WHICH IS NOT YET FUNDED AND PROGRAMMED IS THE PREFERRED COMPLETE CONNECTOR PORTION FROM NORTHEAST OF THE BOISE RIVER TO 15TH STREET. THIS WOULD REQUIRE DISCRETIONARY FUNDS AND WOULD REPLACE THE ALREADY-PROGRAMMED INTERIM CONNECTOR, WHICH WOULD BE A SIX-LANE BRIDGE AND 65-FOOT ROADWAY. THE PREFERRED SEGMENT WOULD BE A FULL-SCALE SEPARATED ROADWAY CONNECTOR, MORE IN KEEPING WITH THE STANDARDS OF THE ENTIRE PROJECT. WE RESPECTFULLY ASK YOUR CONSIDERATION OF USING DISCRETIONARY FUNDS FOR THIS PREFERRED DESIGN SO THE ENTIRE PROJECT CAN BE DONE RIGHT TO BEGIN WITH. THAT SEGMENT IS A CRUCIAL ONE WHICH LINKS THE NORTHWESTERN PART OF THE CITY, WHERE A LOT OF COMMERCIAL AND RESIDENTIAL GROWTH IS OCCURING.

FIFTEENTH AND SIXTEENTH STREETS ARE IMPORTANT NORTH-SOUTH ARTERIALS. THIS PORTION WILL BEAR A CONSIDERABLE AMOUNT OF TRAFFIC BOUND FOR THE NORTH PART OF THE STATE AS WELL, ACCESSING A POPULAR RESORT AREA . . . McCALL . . . AND HIGHWAYS 55 AND 95 NORTH, WHICH IS IDAHO'S ONLY CONNECTION BETWEEN ITS PANHANDLE AND THE REST OF THE STATE.

BECAUSE IDAHO IS ONE OF THE LAST STATES TO COMPLETE ITS INTERSTATE SYSTEM, WE ATTACH A VERY HIGH PRIORITY TO PROJECTS WITH I-84'S ULTIMATE COMPLETION AND BEST USAGE IN MIND. TWO OTHER PROJECTS WE FEEL ARE EXTREMELY IMPORTANT BECAUSE OF THE PROJECTED GROWTH OF OUR CITY ARE THE MAPLE GROVE/I-84 OVERPASS, SCHEDULED FOR CONSTRUCTION NEXT YEAR, AND THE I-84 COLE-OVERLAND INTERCHANGE, SCHEDULED FOR 1989.

OUR CHAMBER IS VERY CONCERNED THAT IDAHO CONTINUE TO RECEIVE AT LEAST ITS MINIMUM IN URBAN FUNDS. MUCH OF THE INTERSTATE PROGRAM IS VERY POPULATION-ORIENTED AND CONSUMPTION-ORIENTED . . . AND SOME MECHANISM IS NECESSARY TO ASSURE EQUITABLE DISTRIBUTION TO STATES LIKE IDAHO, WHOSE CONTRIBUTIONS TO THE NATIONAL ECONOMY CAN'T BE MEASURED BY CURRENT STANDARDS ALONE.

IDAHO'S POTENTIAL IS UNLIMITED . . . OUR UNIQUE NATURAL RESOURCES AND SMALL POPULATION PROVIDE MUCH TO THE NATION. WE NEED SOME VERY SPECIAL HELP FROM YOU RIGHT NOW TO IMPROVE OUR HIGHWAY SYSTEM. THAT IS VITAL SO THAT OUR ECONOMY CAN GROW AND WE CAN CONTINUE TO BE A NATIONAL ASSET. YOUR CONSIDERATION IS GREATLY APPRECIATED.

THANK YOU.

U.S. HIGHWAY 20
A QUESTION OF SAFETY

THE HIGHWAY

In the past five years, over 345 accidents have occurred on the 44-mile length of highway between Idaho Falls and the Department of Energy's Idaho National Engineering Laboratory (INEL) junction. These accidents have resulted in five deaths and two hundred injuries.

U.S. Highway 20 is a two-lane main access route to the INEL, with three intersections to the site facilities. Over 3,800 employees travel to and from the site in 196 buses daily. An additional 1,000 employees drive personal vehicles.

The INEL, the nation's principal testing station for nuclear reactors and related research, was established in 1949 and has a current employee population of over 9,000.

U.S. Highway 20 is a direct route to such recreational areas as Sun Valley, Craters of the Moon, and Experimental Breeder Reactor I, a National Historic Landmark.

The highway is also a key access route for tourist and commercial traffic, connecting with five major highways out of Idaho Falls to such locations as Yellowstone National Park, Grand Teton National Park, and Jackson Hole.

A QUESTION OF SAFETY

Current traffic density of trucks, farm equipment, recreational vehicles, trailers, motor homes, tourists, site employees, and local residents exceeds the designed capacity of the highway during peak traffic hours.

This traffic mix also increases the potential for head-on collisions, unsafe passing, and loss of vehicle directional control from either driver or mechanical reasons.

According to the Idaho State Police, sixty-six to eighty percent of these vehicles are speeding, with the exception of the site buses traveling at 55 miles per hour.

Because of the climate, weather, and seasons in southeastern Idaho, the highway is often plagued with adverse road conditions: blowing and drifting snow ..fog...black ice. .packed snow ..irrigation sprinklers...and summer dust storms. Even the frequent wanderings of various wildlife present unsafe driving conditions.

Although the highway has a reputable safety record, the safety program is straining to maintain these present levels.

Projected growth of the site and increased traffic indicate that substantial improvement is necessary in order to avoid major safety hazards.

THE NEED

As a temporary solution pending road improvement, the U.S. Highway 20/26 intersection has been equipped with flashing beacons. INEL entrances have been identified with speed control signs and lights.

After studying several alternatives, such as rapid transit and monorail systems, the recommendation is a major road improvement to be constructed in four phases.

PHASE I

Phase I would upgrade the intersection of U.S. Highway 20/26 and East Portland Avenue. An overpass would also be included at this main entrance to the INEL.

U. S. Highway 20/26 would be expanded to a four-lane divided highway 1/2 mile west and 2 miles east of the intersection. This would allow traffic coming from Arco to file into the inside lane, and permit the through vehicles and buses to merge when going into Idaho Falls.

Appropriate cue and directional signs would further identify site distances and locations.

PHASE II

Phase II is designed to upgrade the intersection of Highway 20 and Taylor Road. This interchange is the entrance to Experimental Breeder Reactor II and Argonne National Laboratory West facilities.

An overpass would be constructed, and U.S. Highway 20 would be expanded to a four-lane divided highway for approximately thirteen miles.

The new four-lane section would connect with the four lanes constructed in Phase I and would continue for approximatcly 3 miles past the Taylor Road to the top of the hill. This would prevent slower-moving traffic from creating a backup of vehicles at the top of the hill.

PHASE III

Phase III upgrades the intersection of U. S. Highway 20/26, West Portland Avenue, and Van Buren Boulevard.

This intersection serves both the Radioactive Waste Management Complex and the Experimental Breeder Reactor I, which is a national Historic landmark.

It would include an overpass, and expand U.S. Highway 20/26 to a four-lane divided highway for 1/2 mile west of the overpass.

This would permit through vehicles to merge into the inside lane. At the east end, it would connect to the four lane divided highway constructed during Phase I.

PHASE IV

Phase IV, the final phase of this project, would be the completion of a four-lane divided highway into Idaho Falls from a connecting point constructed in Phase II, approximately 35 miles west of the city.

This concluding phase would link with the current city plan for road improvements to Grandview, Broadway, and Pancheri on 17th West.

INEL traffic would have improved routing to and from north, central, and south sectors of the city. The four phases of construction would include nearly 44 miles of highway improvements at an estimated cost of $60,000,000.

These improvements to U.S. Highway 20 will increase the safety to both site personnel and the general public.

Submitted by: L. E. Little

Date: August 29, 1985

To: The Senate Committee on Environment
and Public Works

In the Gold Room, Fourth Floor of
the Statehouse in Boise, Idaho.

TESTIMONY

BY

JOSEPH K. HAYNES, P.E.

CIVIL ENGINEER

BEFORE THE TRANSPORTATION SUBCOMMITTEE

OF THE

SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE

BOISE, IDAHO
AUGUST 29, 1985

Senator Symms and Committee Members:

My name is Joseph K. Haynes. I am a licensed Professional Engineer and Land Surveyor in the State of Idaho, and a Professional Engineer licensed in Washington, Montana and Alaska. I am presently the Transportation Projects' Manager for a consulting engineering firm in Boise, Idaho.

I have lived over 40 years in the State of Idaho and have just recently moved to Boise from my home area of Sandpoint and Coeur d'Alene.

My background consists of seven years of experience with the Federal Highway Administration covering some seven different states including Alaska. The last 13 years have been involved in the consulting engineering business working on various highway, airport and bridge projects throughout our state.

For the last ten years I have represented the Post Falls Highway District and Lakes Highway District in Kootenai County as their District Engineer on various highway and bridge projects. Because of this background and my continued interest in transportation projects, and especially Idaho, I believe I have some knowledge of the transportation needs of the State of Idaho and particularly of our local governments including cities, counties and highway districts.

While the major metropolitan areas of Idaho are rather scarce. I have had the opportunity to work in our Twin Falls, Boise and Coeur d'Alene offices at various times. It is relatively apparent that the demand for highway improvements in the Boise Metropolitan Area, from a traffic volume standpoint, is extremely significant. On the other hand, it is also relatively apparent that there is a definite need for improving the farm to market roads on our secondary roadway system within our state to provide the necessary transportation of commodities such as lumber, agriculture products and tourists.

Your outline gave a list of questions which covers a wide variety of subjects and I would like to speak to each of those questions individually. I will number them according to your system.

1. *"The ability of states with small populations and large areas to raise sufficient revenues for highway needs."*

Idaho, as you well know, is a relatively sparsely populated state with just under one million people. It is difficult to imagine comparing our capability for a tax base with that of Pennsylvania, New York, California or other densely populated areas. Couple that with the one percent initiative and the struggling of our state legislators to administer that one percent initiative in an equitable fashion to allow our local governments additional local option taxing procedures, leads one to the obvious conclusion that we are uncapable, on a local level, to raise enough funds to even maintain our roadway system, let alone improve it.

Idaho is not alone in the amount of rural mileage included in the roadway system. However; as a general note it is commonly known nationally that more than 60 percent of the roads within any particular state are controlled by the local governments while only 25-30 percent are a state or national responsibility. Unfortunately, only about 6 percent of the traffic volume travels the rural system.

As you know, Idaho has some economic growth areas that have been allowed additional funding for their Federal-aid system to bring the matching ratio to 95 percent Federal and 5 percent local funds. Believe it or not, in some highway districts it is exteremely difficult to come up with the 5 percent matching funds for their Federal-aid secondary system. I attribute a lot of this to the complexities of the FAS System and to the time constraints and drawn out process necessary to satisfy the red tape. Without some relief from the state legislature to allow governments to raise revenue, it is extremely difficult to support modification to the Fderal-aid program that would reduce, or limit all togehter, funding for local and secondary roadway systems.

2. *"The Federal lands highway program."*

Having worked for the Federal Highway Administration and particularly on direct construction projects within Alaska it has become well apparent to me that the need for the Federal Highway Funding Program is extremely important to states such as Idaho, Nevada and the Western states where major land holdings are by state and Federal governments. The Tri-agency in Idaho, consisting of the State, Forest Service and the Federal Highway Administration does well to pinpoint the locations of improvements for Tri-agency money. While it is a very small portion, it does help with improving some rural roadway projects on the designated routes. The Forest Highway Funds in Idaho are relatively small and I believe need to be improved to keep up with the demand, particularly for the recreation and logging interests within the state. Granted, many areas have been improved, but sadly, many more areas need considerable improvement.

3. *"The 55 mile-per-hour speed limit."*

It is my belief that the 55 mile per hour speed limit is not cost-effective legislation. No cost-benefit ratio has been assigned to it that I am aware of, and it is ludicrous to think that the traveling public will limit themselves to a law in which they do not believe. From an engineering standpoint, it has always been the procedure to base speed limits on engineering studies. These studies determine the 85th percentile of traffic traveling a specific stretch of road with uninterrupted traffic flow. This 85th percentile, within the nearest 5 miles per hour, determines the safe speed for traveling the roadway. It is a proven fact that the average motorist is a safe motorist and that the speed at which he travels is the speed that can safely be determined as the limit on any particular stretch of road. I believe the rural interstate highways in Idaho and Nevada can best be limited to a maximum of 70 miles per hour because that is the speed for which the roads were designed. If engineering studies show the speed should be reduced in various areas, then that very well can be done through proper legislation. It is imperative that the laws of our land are such that the people believe in them and continue to believe in them as they do for their right of freedom of speech, religion, etc.

The subject of penalizing states for Federal aid because of their inability to enforce the 55 mile per hour speed limit seems also to me to be the wrong way to pursue the problem. As was mentioned in the testimony at your hearing, it would seem more logical to reward those states that kept within the 55 mile per hour limit, or whatever limit is imposed, than to penalize extensively those who are not living within it. As Mr. Tisdale of our Transportation Department pointed out, we are spending a disproportionate amount of time on the interstate system to enforce an unrealistic speed limit while the safety of our traveling public in other parts of the state is suffering because of it.

4. "Diversion of highway user fees for non-highway purposes."

The actual definition of "non-highway user" purposes is a very fine line. For instance, is it necessary to have a clerk typist's salary taken out of the State Highway Department highway trust fund because she types a letter for the State Director of Transportation. By the same philosophy, it could be construed that it is satisfactory to use highway user fees for mass transit because the mass transit, technically speaking, reduces some traffic congestion by removing a number of automobiles from the roadways that have been parked for mass transit transportation. The theory is good if it works, but it obviously does not work in Idaho.

I believe a further consideration should be given to the funding of bike paths. It is, in effect, the same philosphy as mass transit, however, I believe it can be shown that it is necessary to keep bicycle traffic, and pedestrian traffic for that matter, separated from vehicular traffic for the benefit and safety of the traveling automobile as well as the pedestrian and bicylist. It can be construed that because people are riding bicycles they are obviously not driving cars, and therefore are reducing the amount of congestion on our highways. Consequently, hghway funds can be used for bicycle and pedestrian facilities. I believe there is a place for spending highway user fees for what some believe to be "non-highway purposes." The definition of these is quite nebulous, however, mass transit, bicycles and pedestrian facilities, I believe, are all safety oriented items that can be legitimately funded from highway user fees.

5. "The condition and needs of roads in agricultural areas."

This subject is near and dear to all of us in the state of Idaho. Not only in the Southern part of the state where our major agricultural communities are, but even in Northern Idaho where we have significant agriculture and the harvest of timber. As I am sure you are aware, the first Federal Aid road program was funded around 1916 under the Agriculture Department, and was intended to get farming products to market on a roadway system that would not destroy the horseless trucks of that era. Following that, it shifted to the Department of Commerce until 1967 when the newly created Department of Transportation took over the funding administration. Unfortunately, when that occurred, the move away from agricultural roads became an obvious direction of our Transportation Department.

Interestingly though, Idaho is not alone in its problem with its agricultural roadway system. Areas much more populated than Idaho, such as Pennsylvania, are concerned about the subject. What we continue to forget is while a good 75 percent of the traffic volume travels the state and interstate system, over 90 percent of the state's agricultural product travels the secondary and farm-to-market route. Pennsylvania shows that about 11,800 miles of rural roads are critical to the state's farmer's needs. However, over 315 bridges in that state were posted to restrict the hauling of agricultural commodoties to town which created significant circuitous routing and added expense to their farming community.

Two of the best examples I know that show the need for secondary funding as it relates to agriculture in Idaho consist of two projects in Bonner County near Sandpoint and Priest River. The bridge across the Pend O'reille River that is owned and maintained by Bonner County crosses from the City of Priest River to the South side of the river and Merritt Brothers Lumber Company. Unfortunately, the railroad track for shipping the lumber and chip by-products is on the North side of the river and the lumber mill is on the South side of the river. Logging trucks hauling logs to the South must cross the bridge from the forests on the North. The bridge across the river was constructed approximately 15 years ago and is in an extreme state of disrepair. While bridge rehabilitation funds, through the Federal Highway Administration, are available for this project, the total project expense is well over one million dollars. This leaves a local share for the rehabilitiation of the project at over $200,000, well beyond the total road budget for Bonner County, let alone the budget for bridge projects within the county. Obviously, the county will have to go to some other source for matching funds and we are presently trying to accomplish that for Bonner County through the use of a Community Development Block Grant. As I have mentioned previously, the one percent initiative caught many of our counties short of funds and has created dire strain upon our county roadway system and the budgets for these counties and highway districts.

The second project is a 15-mile stretch of road from Colburn to Highway 200 just North of Sandpoint. This road has been constructed, probably since the 1920's, and was paved around 1948-50. Very little maintenance other than snow removal has been accomplished on the roadway; consequently, the pavement has deteriorated to almost a gravel condition. It will be necessary to overlay the roadway system with a hot mixed asphalt surface. In order to receive Federal funds to participate in the project it must be brought up to a Federal-aid secondary standard in cross section and vertical and horizontal alignment. To accomplish his task on the 15-mile strech of road will cost well over 3 million dollars. Again, even with 80 percent matching funds the county in no way has the ability to match those Federal funds for this one road, let along the 600 other miles within the county.

To try and eliminate the Federal-aid funding from the Highway Trust Fund for Federal-aid secondary roads, and even local roads, is a step in the wrong direction for communities and areas like we have here in Idaho. While Northern Idaho is a timber harvest area, there are significant farming and agricultural operations that need roads as well including 45 percent of the nation's bluegrass seed production in Kootenai County alone.

6. *"Completion of the Interstate Highway System."*

Obviously, this project has to receive the highest importance of any transportation link we have in our country. The national defense is by far the primary concern of all citizens of the United States and the Interstate System was developed strictly for that purpose. Without a completion of the Interstate Cost Estimate (ICE) and the completion of that system our country will be stifled for a long time. Not only from a defense standpoint but from a transportation system standpoint.

7. *"Responsibilities of the Federal, state and local governments."*

As I am sure you are aware, defining exact responsibilities for any branch of the government, as it relates to transportation, is extremely difficult. To say that a car does not travel from one state to another or one community to another is impossible. Consequently, the overall direction of our communities and country must be looked at as a whole, and I hope that is what your committee is doing. My personal feeling is that the Federal government should have the primary say in our interstate, railroad and airport network system. The states should have primary concern with their primary system and the maintenance of the interstate system. The local governments including the cities, counties, and highway districts, should have jurisdiction and control over their local roadway systems.

Obviously, funding is a completely separate question. Since we fail annually to expend the funds collected in the Highway Trust Fund, it seems logical to me that we should continue to fund local, state and Federal projects from that fund. The participation rate and the breakdown or distribution of those funds to the various uses is the real question and one that needs to be looked at very closely. Naturally, using most of our funds for local projects, I believe that the 35 percent secondary funding program should be administered to the local agencies rather than the 25 percent presently given here in Idaho.

I further contend that the growth areas of Northern Idaho, Central Idaho, and Southeastern Idaho need to continue to receive the 95 percent funding on the Federal-aid Secondary System in order to ever catch up with the program's needs.

One of the situations that occurs here in Idaho, and I am sure in other states, is the transfer of routes from state agencies to the local entites. This transfer occurs for many lane miles of roadway yet the funding for maintaining and operating those roadways does not keep up. Kootenai County is a good example of this problem. When Interstate 90 was completed from Coeur d'Alene West to the Washington state line, Seltice Way, which was the prior 4-lane highway between Coeur d'Alene and Spokane, was maintained and operated by the State Highway Department. When the interstate system became operable the state "gave" Seltice Way to the Post Falls Highway District to operate and maintain. Naturally, the old state system was worn out and congested or they would not have built the interstate system in close proximity to Seltice Way. Now that Seltice Way is in dire need of reconditioning, there are minimal state funds and Federal funds available to recondition it, let alone the substantial burden on the Post Falls Highway District to even match those Federal funds. It is anticipated that some 7 million dollars will be required to refurbish the old roadway and then it is questionable whether it will be usuable for an additional 20-year period.

As a smaller highway district, the same thing occurred in White Bird, Idaho, when Highway 95 by-passed the town of White Bird. The White Bird Highway District, which has less than 100 miles of highway in it and no equipment, was asked to take over the maintenance of old Highway 95, a windy, worn out stretch of state highway road.

Now that public agency liabilities are continually on the line, many improvements will need to be made, not only to Seltice Way in Kootenai County but to Highway 95 in White Bird. These improvements will be a tremendous burden on the local community to try and bring them to a safe standard that will allow limiting our liability and obviously limiting the liability of the public in general. My opinion, therefore, is that we cannot stop Federal funding for local projects even at the risk of allowing the Federal government to keep its finger in local affairs.

8. *"Alternative methods of financing highway construction including toll financing."*

While I am not an opponent or proponent of toll roads, I find they do have a tendency to pay for themselves and it is by far a "user fee" form of financing. In recent months I have become more interested in the possibility of private enterprise constructing roadways, or more importantly bridges, on our highway system and then being able to lease them back to the local entities and allow them to pay them off within their restricted budgetary constraints. It is my understanding that a construction company has offered to construct the Broadway-Chinden Boulevard Connector if they are allowed to be paid for it over a period of time under a guaranteed public payback. Obviously, the state legislature will not allow that to occur, but I believe the state needs to work on the possibility of allowing private enterprise to participate with Federal funds in the replacement of some of our deteriorated bridges and allow the local entities to lease back the bridge under some type of guaranteed payback through advalorum taxes fitting within our taxing capabilities under the one percent initiative.

9. *"Review of the apportionment formulas."*

Obviously, Idaho is on the plus side of the apportionment formulas for receiving two dollars from the trust fund for every one we put in. To complain that we are losing 4 million dollars to the mass transit system when we actually obtain over 40 million dollars through the apportionment formulas from the trust fund seems to me to be crying fowl at the wrong time. Whatever is done with the apportionment formula it would certainly be my suggestion that the secondary funds that come to the state be administered more openly and on an equitable basis to local entities rather than limiting it to the 25 percent now formulated through our State Highway Department.

The proposed Block Grant Program has some merit on the local level if it is set up properly. For instance, if the Federal Highway Administration (FHWA) is allowed to dictate the design standards rather than the state and local agencies the system again becomes a red tape nightmare. Rather, let the FHWA administer the environmental constraints, as they now do, and allow the state and local agencies more control over the design standards without the FHWA restrictions. In fact, if Block Grants funds came directly to the local agencies, similar to Revenue Sharing funds, then the state administration costs could be kept to a minimum putting more funds directly on the road where they belong.

10. "Any other issues regarding the Federal highway program."

There are a multitude of other programs associated with the highway system that need to be funded; however, the existing programs seem to be working relatively well in Idaho and I believe should continue to be funded at the maximum level possible to try and allow us to catch up with our funding short fall. Any increase in our participation rate of Federal funds would help.

One area that I think Idaho needs to look at is its overall Transportation Plan and develop a highway system that needs to be completed given a certain period of time and a certain funding level that everyone can look at and feel comfortable with for the next 20 years.

This brings up the subject of planning funds which I belive are not being appropriately used in Idaho and need to be used more at the local level than at the state and large urban area level.

I appreciate very much the opportunity to submit this testimony to you and hope that it helps in your deliberation of upcoming legislation. I would like to take this personal opportunity to thank you for your continued effort in legislation for transportation and hope you will continue for the years to come. It is extremely important to have someone like you on our side and we truly appreciate it.

Jack Lewis
1706 N. 9th St.
Boise, ID 83702

Senate Transportation Field Hearings
Boise, Idaho
August 29, 1985

I welcome the opportunity to present some personal opinions on the transportation issues outlined in Senator Symms' Town Meeting agenda. Although I do not represent any organization, agency, or faction, and I do not have any fancy graphs, tables, or statistics to back up my statements, conversations with many friends and acquaintances lead me to the conclusion that my opinions are shared by a substantial number of Idaho citizens. Since most of them won't take the time to make their positions known, it is doubly important that I share them with you.

My major concern is with the 55 mph national speed limit. Earlier this month, I came across congressional hearings on the 55 mph limit being covered on the C-SPAN cable network. I watched with a mixture of fascination and repugnance as one federal and stage agency representative after another bemoaned the fact that over 50% of interstate highway drivers were ignoring the law, even though a majority of citizens supposedly support the law. "Cures" discussed included: saturation patrols, more aircraft surveillance, more public awareness of the dollar penalties to the states, and improved radar systems. None of the witnesses I saw either knew or could muster up the gumption to state that the law wasn't being obeyed because a substantial number of the population thinks it is ludicrous, and that the current rationale for its continued existence is far removed from the original intent.

To refresh the bureaucrats' memories, the original stated reason for reducing the maximum speed limit to 55 was as an energy conservation measure during the first oil embargo in 1973. Coincidentally, the highway fatality rate decreased a little more after the reduction than it had in previous years. Apparently, no one in Washington cares to notice that the miles driven decreased significantly as drivers cut down on leisure travel and started carpooling to lower expenses. The fact is that the fatality rate has decreased annually for years and years, because of better driver training, improvements in auto safety factors, and better highways. But the safety aspect of 55 continues to be raised as the only protection between The American Way and curb-to-curb blood-red highways.

Unfortunately, the government doesn't seem to know how to admit a mistake. Like a petulant parent seeking total obedience from its offspring, new excuses ("Because I say so, that's why"!), added conditions ("You're grounded"), and penalties ("I'll take away your allowance") are exacted to achieve the demanded response.

If the government insists on throwing money in this direction, it would be better off to raise the limit to a more realistic level and direct the money now being directed to surveillance and enforcement to highway improvements for all interstate and federal highways. In that way, a speed limit of 70 could be just as safe as 55.

I can attest to the fact that the 55 limit is not respected in Idaho. I drive between Boise and Nampa on the interstate each weekday to work, a round-trip of 40 miles. I generally drive 58 to 60, yet I am passed by ten times more cars and trucks than I pass. The ones I do pass are generally farm equipment, such as tractors, and vehicles in such bad mechanical condition that 55 is an impossibility. Incidentally, a fair number of the vehicles that pass me belong to the state or federal government, a situation that has caused me to chuckle on a few occasions where a bumper sticker on the vehicle piously proclaims "55-It's a Law We Can Live With."

Scarcely a day goes by that I don't see at least one car pulled over for speeding, but the majority of drivers keep on trucking. Why? I believe it is that most folks think that the 55 limit is a ludicrous remnant of an overreaction to a largely illusionary oil crisis of the dim past, and the realization that government restrictions are rarely relaxed even if indicated.

The only reason that some states haven't already raised the speed limit is the threat of holdbacks of highway funds for noncompliance. The feds call this the "carrot-and-stick approach." But let's face it, if a private citizen attempted such a process, it would be called bribery, extortion, or blackmail; and the feds would move in to eliminate it, and fast. Just once, I'd like to see a state stand up to this blackmail, especially since the carrots that the feds dangle so alluringly were extracted from the citizens in the first place.

I note that toll financing, presumably for new highway construction, is also on the agenda. As a former resident of the Midwest, it has been my experience there that the tolls on such roads continue long after the construction costs have been paid off. Interestingly, the toll booths seem to be in better shape than the roads after just a few years. Also, drivers quickly find alternate free routes which both increase the payoff time and divert traffic to roads that weren't intended to handle such heavy numbers. If for some reason toll financing was absolutely essential for the completion of a highway project, there must be a clause in the enabling legislation stating that the tolls will cease once the project is paid for.

I really can't speak to the other items on the agenda, except to state that as a general principle, it would be better to keep the programs at the local level to the extent possible. For each additional step that control of funds are removed from the intended target, there are administrative costs that serve no function other than to siphon off needed dollars from the project. Keep it local!

Thanks again for letting your constituents participate in the process. Democracy starts with the individual citizen!

Senate Transportation Sub
Committee

August 29, 1985
Boise, Idaho 83702
1301 N. 20th St.

My name is Jane Lloyd. I am here in support of the Broadway Chinden Connector portion of our Federal Urban Highway System. I represent a community organization called Ada Citizens Together (ACT). The purpose of ACT is two fold 1) to serve as advocates of public policies that encourage planned growth in Ada County. 2) to support positive efforts for downtown revitalization & development.

It is our hope that the Broadway Chinden Connector is & will continue to be the number one priority construction project in the Idaho portion of the Federal Interstate Highway system at the Federal, State & Local levels. Obviously, today. if an urban highway project is to be a reality. it demands the cooperation of all three levels of government — financially, administratively & politically.

We are here today to plead our case before you who have the most clout in this issue since you hold the strings to the biggest purse. We need to remind ourselves & our representatives how important transportation systems are to the vitality & economic health of our city — of any city. We (as citizen members of local, state & federal governments) know that the implementation of a transportation system is the most important single tool that we have at our disposal to create the kind of city that we want — that we need.

There is a strong consensus in Boise that has mobilized our citizens to support a road system that will carry the largest volume of vehicles in the State of Idaho. And it will do this in a manner that will encourage and allow the development of the downtown area of our Capital City and, at the same time, allow growth in the orderly patterns that have been adopted by the people in the Boise Area Master Plan.

I would like to call to your attention some examples of the overwhelming support that exists in our community for the construction and timely completion of the Broadway Chinden Connector. At the Design Public Hearing held 13 March, 1985 evidence of such support included:

1. 600 signatures on a petition
2. 600 post cards written
3. 55 businesses and individuals submitted testimony.
4. 140 individuals attended.

Please help to expedite this important project in anyway you can. We can then get on with the essential business of rebuilding the heart of our city.

We very much appreciate your visit. Welcome to Boise.

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THE FEDERAL-AID HIGHWAY PROGRAM

SATURDAY, SEPTEMBER 28, 1985

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
SUBCOMMITTEE ON TRANSPORTATION,
Coeur d'Alene, ID.

The subcommittee met at 9:30 a.m. in the Kootenai Cooperative Extension Building, Coeur d'Alene, ID, Hon. Steve Symms (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. STEVE SYMMS, U.S. SENATOR FROM THE STATE OF IDAHO

Senator SYMMS. Good morning. We welcome all of you here. I first want to make a couple of brief introductions. Taylor Bowden, from my staff; over here from the committee staff, Nadine Hamilton and Paulette Hansen. Paulette represents the ranking minority member, Senator Burdick, who is very active on this subcommittee.

Paulette Hansen is from North Dakota so she's had two opportunities to be in Idaho this summer and she spent one weekend in the Boise area and one up here. Nadine works for the committee staff for Senator Stafford and myself and others.

I would like to welcome all of you to our hearing today in Coeur d'Alene. In July, the Transportation Subcommittee began hearings in Washington, DC on the reauthorization of the Federal-Aid Highway Program. The purpose of our field hearings is to give westerners the opportunity to present their views on highway transportation issues and the important reauthorizing legislation that will be before the subcommittee in the near future.

Let me say first how delighted I am that interstate construction, interstate substitution, and minimum allocation funds will be made available to the States on schedule October 1. Two months ago the Environment and Public Works Committee reported out a clean, simple bill, S. 1514, which the full Senate passed immediately. The House approved that bill last week, and with the President's signature, the Department of Transportation will be able to apportion those funds next Thursday.

Here in Idaho $29.5 million in interstate construction funds will be released. Nationwide, close to $5 billion will go out to the States on time and in its entirety. I want to thank everyone in the highway community who worked so hard to bring about enactment of S. 1514.

Under the Surface Transportation Assistance Act, the entire Federal-Aid Highway Program was authorized for 4 years, or through September 30, 1986. The 1982 act made possible a 50-percent increase in funding for the Federal-Aid Highway Program. Altogether, over $57 billion was provided for highway projects, with over $14 billion in obligations for the current fiscal year. Idaho and all the other States have been able to make real progress in addressing their backlog of road construction and rehabilitation needs. And there has been an increased awareness of the importance of our transportation infrastructure in terms of the national economy, business productivity, and personal travel.

Still, there are a tremendous number of transportation needs. Unlike most Federal programs, however, the Federal-Aid Highway Program pays for itself; the program is funded entirely by the fees highway users pay into the trust fund. Much as we might like to meet all the bridge and highway needs, deficit spending is strictly forbidden by the so-called Byrd amendment which requires that authorizations for the program not exceed revenues. I see no likelihood of an increase in gasoline or other highway use taxes anytime soon, and so we are faced with definite spending constraints, increasingly difficult choices, and the need for setting priorities.

I would like to briefly touch on some of the major highway issues before us.

Since 1956, construction of the Interstate Highway System has been a Federal priority and national goal. Over 96 percent of that system is now open to traffic. Can we afford completion of the Interstate as currently defined and at any cost? Or is it time to say the system is close enough to being finished and shift our emphasis to protecting the huge capital investment already in place? This may also be an appropriate time to begin re-examining the Federal role and interest in the highway program.

Second, I am concerned about the proliferation of special purpose or so-called demonstration projects with 100 percent Federal funding. In the 1982 legislation, there were perhaps a dozen such projects. A recently introduced House bill contains 71 demonstration projects at a cost of over $1 billion, and I understand those numbers are still growing. This alone could break the Highway Trust Fund bank and represents a disturbing change from the traditional federally funded-State administered program which has worked so well for 50 years. I anticipate that the Senate will again try to limit such projects by requiring a 50-percent match and a cap on the amount of Federal funds available per project.

Third, there are, once again, proposals to change the apportionment formulas. I am particularly concerned about any revisions to the Interstate 4R formula which would skew funds to heavily populated States with high vehicle-miles-traveled counts. Western States with large land areas and relatively small populations must also be able to meet their road needs if we are to continue to have an interconnected, national highway system that can successfully move agricultural and manufactured products to market and allow motorists freedom of travel.

According to figures I recently received from the Federal Highway Administration, Idaho ranks seventh among the States in terms of Interstate mileage per capita. In other words, our State's large land area and low population density requires more Interstate miles per person in Idaho than is required in 42 other States. Any formula change which places less emphasis on lane miles and greater emphasis on vehicle miles traveled will place a disproportionate burden on highway users in Idaho to maintain the many miles of Interstate highways within our borders. Such a formula change would significantly harm the "national" character of our highway system, and I believe this proposal will be vigorously opposed in the Senate.

Also of major interest are Federal turnback proposals; the 85 percent minimum category; the 55-mph speed limit; transit; tax exemptions such as gasohol; Federal requirements such as the Davis-Bacon, Buy American, and disadvantaged Business Enterprise provisions; and alternative methods of financing highway construction, including toll financing.

In addition to those concerns, westerners are also interested in the Federal Lands Highway Program; diversion of highway user fees for non-highway purposes; the use of sanctions if States fail to implement and enforce programs such as the 55-mph speed limit and minimum drinking age of 21; the condition and needs of roads in agricultural areas; and the ability of States with small populations and large geographic areas to raise sufficient revenues for their highway needs.

It is a great pleasure to be here today. I'll take just a minute to congratulate the members and staff of the Idaho Highway Users Conference for their efforts at putting together the fine conference which ended yesterday. I know they have also been working to make people aware of today's hearing, and I want to thank them for their efforts in that regard.

We have a very full witness list and I regret that our time is limited. However, I think we can cover a great deal of ground, and I am looking forward to hearing the testimony on these important transportation issues.

I would ask the witnesses to try to keep their testimony to 5 minutes. All of the written statements will be made a part of the record in full.

We want your testimony for our records. I want to hear from the highway district, from the local road districts on what their problems are, because oftentimes I think some of you feel like you get left out, and that's why we're out here. I do want to hear from everyone.

Our first witness this morning is Hon. Ray Barnhart who is the administrator of the Federal Highway Administration, U.S. Department of Transportation.

Mr. Barnhart hails from Texas. He was formerly a member of the Texas Highway Commission and has done an excellent job administering the program in Washington. He has been a leader in trying to return moneys to the States, in limiting the amount of regulations that the Federal Government imposes on the States and on local road districts. Mr. Barnhart is given the task of enforcing the law so sometimes he is enforcing things he doesn't agree with, but we did have an opportunity yesterday to go over to St. Maries and I took him up to Avery. We told him if he didn't approve that road up there we were going to leave him up there and make him walk back, so he did approve another $3 million from public lands funds to go with the $4.4 million of Federal highway funds to complete the road over on the St. Joe, which is very important to people there.

We appreciate that very much, Ray, and we are delighted to have you here in Idaho. We look forward to hearing your testimony. In fact, I look forward to seeing what kind of a bill you're going to send over to our committee so that we can start to work on it early next year.

STATEMENT OF R.A. BARNHART, ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION

Mr. **Barnhart**. Thank you, Mr. Chairman. As you know, I am very pleased to be here. I feel very much philosophically at home, which I don't always do in some parts of the country, but coming from Texas I do understand some of the special concerns you have out here in this part of the country.

Mr. Chairman, rather than reading my statement, I have supplied several copies and I would like to submit that for the record, and if anyone is interested in hearing those words of wisdom, why I'm sure you can get a copy of that.

And then I would like to, if I might, discuss a few special areas of concern to me, because I do understand you have a long list of witnesses.

Senator **Symms**. Your entire statement will be a part of the record.

Mr. **Barnhart**. With that consideration then, sir, I would like to proceed to say that I recognize very much that some States do not have as large a tax base as others by which they can support their highway system, and quite frankly the highway system is so essential to the economy of this country.

One of the biggest problems I have in trying to get efficient usage out of our Federal dollar is to cope with some of the environmental laws by organizations that have a noble purpose but have no accountability for raising the funds or seeing that our society functions. And I have found many leaders who have so worked our program that they have imposed tremendous additonal costs in the name of environment which in fact deny people roadways that they need for their society, for their jobs, for their economy.

I love my out-of-doors. I love my environment. But I think we've got to have balance into the system. And I would hope that as we go through the ensuing months that we might work together to see if we can't make some sense out of some very desirable legislation, but legislation now has added such tremendous costs, such as a project you're very familiar with over in Hawaii—if you can believe it or not we have an interstate highway in Hawaii—which was authorized some time ago, and that project started off and cost $263 million, and because of a park, which is reserved on weekends from Thursday to Tuesday for weiner roasts, we have had to change the alignment of that highway at substantial cost and through delays that are there because of the law, which I know you're trying to get some changes to. The cost of that project has increased a half a million dollars. That has to come out of the trust fund.

Now, I want to be sensitive to the environment, but I want to see that we serve the taxpayers of this country and not just a handful of strident critics. I know that because of the lack of tax base in many of our Western States, you could not have a viable highway system nor a viable economy if it were not for the redistribution that occurs within the Federal Highway Program.

Senator SYMMS. Texas has very little Government-owned land, while Idaho has 64 percent that the Federal Government owns.

Mr. BARNHART. Absolutely correct, and that's why I've never complained that prior to this adminstration Texas had received back some 72 cents on each dollar put into the trust fund. But it is necessary it seems to me and in the national interest that where we have a tax base, we do see that we have an efficient transportation system in other States, for it's important to us as Texans that folks in Idaho or North Dakota or South Dakota or you name it have an opportunity to get their products into market for it's just essential to the whole country.

I am pleased that since this administration has come onboard we have incresed that equity up to a minimum of maybe 5-percent return, which I think is only fair, but I would point out that Idaho, too, has benefited, for you now get back $2.21 for every dollar you put into the trust fund.

Everyone is so cynical about government and I, too, but I do want to make the point that there are some extremely competent people in the Federal Government as careerists, and I'm proud of the fact that the folks that constitute the Federal Highway Administration have truly been very prudent in their attempts to manage this Federal program. Some folks may be interested to know that we have fewer employees today nationwide than at any time in 40 years with a budget that's 50 percent higher than ever before and with an administrative takedown of less than 1½ percent, so over 98½ cents out of every dollar that goes into the trust fund is returned to the States, and I'm very proud of that.

But I was mentioning the fact that it is so essential to have an efficient highway program, especially to States without a tax base. It's true that the Federal Government owns 64 percent of the property out here, which means you don't have the tax base to support it. That's very important, but it doesn't dominate the lawmaking process. And I was interested in the newspaper article this morning because one of your colleagues, another Senator from this State, Senator McClure, who was able to block at least temporarily the House effort to reduce the forest highways appropriation by $50 million. Those roads are terribly important just as our public lands highways are important to this area without a sufficient tax base. And that's why I support that kind of program and that's why I was so pleased to be able to come up with another $3 million out of that fund to make the roadway improvement possible, because it deals with the economy and jobs and the solvency of society out here. So I am very pleased with that.

But you are correct. There will be a continuing attack on formula in order to change the distribution of funds, and unfortunately, some of the populated States in other areas of the country have more votes, at least in the House, which can dictate House policies, but fortunately we have that other body, the Senate, which can then kind of moderate some of those views. But when you look at Idaho with 64 percent of the land owned by Federal Government and you look at New York State with less than 2 percent, you can see that there are different motivations out there.

Anyway, I do, sir, as a Texan and hopefully a patriot, thank you for your effort on trying to eliminate some of the abuses that are inherent in the highway program. You have mentioned 55, and frankly the administration does not have a position on the 55-mile-an-hour law at this time. The Federal Highway Administrator has been known to express a view, but I do want to make clear that I do not speak for the administration or the Department of Transportation, but I sure speak for the Federal Highway Administration, for I think the law is illogical.

Senator SYMMS. Don't be bashful, because Ronald Reagan speaks for the administration and he is very clear about his viewpoint on it.

Mr. BARNHART. That's true, but I have a bureaucracy to go through also. The thing that concerns me, Senator, is that universally the law is ignored, and it concerns me that a law which is neither observed nor respected nor enforced, it seems to me diminishes all law.

And what we are doing with the present procedure regarding 55 is to require our law enforcement officers out in the field to concentrate on speeding drivers, regardless of how much they're speeding, instead of concentrating on the drunk drivers. And we know that speed, while it is a factor in accidents, we know that drunk driving and drinking and abusing drivers are involved in 50 percent of all fatalities. And I know you have talked about having some latitude for States to increase their mileage in rural interstates, rural areas where it's safe, and I want you to know that I think there is much wisdom to that, especially if you might tie that to a mandatory seat belt law, which many people are opposed to, but at the same time we know that the use of seat belts will reduce the injury rate and the fatality rate and the tremendous cost to society which all people have to bear for people who are in accidents and don't wear seat belts. So I applaud your thoughts in that particular area.

Senator SYMMS. Mr. Administrator, the House Public Works Committee has included a provision in their bill which would change the 55 miles per hour certification process to a point system, and the State would be assured more points for faster speeds or more insurance. Are you familiar with that provision?

Mr. BARNHART. Yes, sir; and that is a result of the National Academy of Sciences study and I can see some merit to it. One of my problems is it's very easy for Members of Congress to write laws. It's very difficult for bureaucrats and State people to have to enforce and interpret them. You get into a very complicated monitoring situation. I am not sure what we are going to end up with.

Certainly there is some merit. We have three States not in compliance at the present time. Whether I do or do not approve of the law, I think I am obligated to enforce it and I have recommended sanctions against those States. There will be a dozen States in a few days who will not be in compliance with the 55 limit.

Senator SYMMS. How are we?

Mr. BARNHART. You're all right.

Senator SYMMS. Good.

Mr. BARNHART. Texas is all right, too. But you're right on the borderline and so you have to have 50 percent and you're at 49.9 percent, and a fraction is going to make a significant difference, just a fraction in calculation.

Senator SYMMS. How is Virginia, by the way?

Mr. BARNHART. Can you believe Virginia is all right in that traffic?

Senator SYMMS. I can't believe it.

Mr. BARNHART. I can't either.

Senator SYMMS. I drive down that highway and I'll say to the audience here, when you leave the Capitol and cross the 14th Street Bridge and you are on Highway 95 South, before you even get out to the beltway, if you drive 55, everybody, I mean just a flood of automobiles, are passing you. I can't believe they're within compliance.

Mr. BARNHART. We've got some significant things coming up. I would hope that in our next authorization bill we might combine our 4R and our primary categories of funds and give the States more management latitude in the use of those funds. Right now they are constrained that this administration has tried to return management prerogatives and responsibilities back to the States, because quite frankly, I think everyone out here knows much more about the needs of this State then I as a bureaucrat a couple thousand miles away.

The problem is that Congress is reluctant to relinguish the power they have to direct those technical and professional decisions. I appreciate your help in trying to help us diffuse this concentration out there.

Senator SYMMS. That's music to my ears. We're going to hear from some highway district people today that think they're getting the short end of the stick out of the Federal trust fund and that's the kind of testimony we want. Do you have an answer for them?

Mr. BARNHART. Yes, sir; I think that that's the general perception, the bloated bureaucracy of Federal Highway and the arbitrary ivory tower attitude of the people that are in the Federal Highway Administration. I would say that's a wrong perception, but you don't know it. You don't know it's wrong. But in fact it is. But we are constrained by laws like adherence to the 55 and enforcement of that. And I don't think anyone wants me to violate the law.

In the same way we have a trucking problem in one State. That State wants to run its trucks just like all of the States that surround it, the difference being that State wants to go up to 105,000 pounds in weight, but they would adhere to the bridge formula to the weight distribution on the axles, and frankly, the 105,000 pounds would not do damage to those pavements. But that State does not have the grandfather right to exceed the 80,000 pound mandated national limit like the neighboring States have. Therefore, while they are running 105,000 pounds because their legislature has ordered the Highway Department to do a study, I have a constraint that says if they do, I have got to cut off their highway funds. While they are not doing damage to the highway, they don't technically have the legal right. Therefore, if they don't terminate that program on Monday, on Tuesday I will have to recommend that we hold back $18 million from that State. I don't like it, but that's the law. So the perception will be in the media, that knuckle-headed ivory tower bureaucrat has no sensitivity for the real world. But it's a question of law.

Senator SYMMS. The State he's talking about, folks, affects us because it's Wyoming. When our truckers haul through here on the interstate that goes through southern Idaho and goes up through Wyoming, they have to divert and go through Utah to get to Colorado, and on a poorer stretch of road.

Mr. BARNHART. And that's because of the national weight limit of 80,000 pounds, which is dominantly driven by the Eastern States. Their people say 80,000 pounds is horrible. They want to reduce it 20,000 pounds less than that and they're not aware of the fact that this whole country is dependent upon truck transportation.

Senator SYMMS. Let me change the subject. I want to ask you a couple questions that I would like on the record. With respect to the formula, which is very important, you mentioned the $2 plus figure that we're receiving here in Idaho, do you believe that the current apportionment formula vis-a-vis populated and unpopulated States is approximately fair?

Mr. BARNHART. Quite frankly, no, and you and I will probably come to a difference of opinion on this, I know, Senator. I'm working on a different formula which reduces the factor on land area, and I've got to tell you all that even though I know that's hostile to your ears I do think we ought to do something more on the basis of usage. We do have some serious problems.

I would simply moderate that factor. It's just like right now, all States get a minimum of one-half a percent out of the interstate construction category even though their interstate is completed. That's wrong and yet it's important to all the Western States for many of the Western States have completed. I would delete that provision, but I would make you whole through another category. I know that sounds like that's smoke in mirrors. In fact it is not, because it would emphasize completion of the interstate. Until we get the interstate completed, we're going to continue to have real problems.

Senator SYMMS. What changes can we make in the law to encourage completion of the interstate by 1990?

Mr. BARNHART. Well, I've given up on redefinition. But we have the program to complete by 1990 or 1991. While that sounds like a long time to many of us, in Government terms I guess it isn't.

Senator SYMMS. We're just about completed in Idaho and if we've got stretches of the interstate that we don't think need to be resurfaced yet, we'd like to spend the money on the north-south highway to connect Coeur d'Alene to southern Idaho.

Mr. BARNHART. That's where my new combined category of 4R and primary come into play. The 4R is the reconstruction rehabilitation category. We would expand that into the $6 plus billion category and then we would give your State latitude in utilization of that funding. In the same way on the non-Federal priority system, that is the secondary, the urban and the bridges not on the Interstate system, we would put all of those funds into a block of funds, if you will, and return those back to the State. That would come into a $2.2 billion area of funding. Then if I would have my way on it, we would say the use of those funds will be distributed to the States just like they are now and they would be subject to the nondiscrimination clauses of the Federal level, the environment regulations, because we are going to have to do that even though they ought to be modified, and to the uniform relocation provision.

Those are the three Federal categories of law that would apply to that broad block of funds. I would then turn that back to the States and say you then spend that according to your State law and to your State priorities. We have standards that are mandated for the rehabilitation of roadways that are far in excess of what common sense calls for in many parts of the country, but we have been unable to get those laws changed because of the concentration of votes in other parts of the country. If we could accomplish that blockage of those three categories of funds, I believe that every State would pick up 20 to 25 percent more purchasing power out of every dollar they spend by getting the Federal nose out of the tent. But that's going to be a strong push on our part.

Senator SYMMS. Well, you'll have my support on that, because that's exactly what these highway district people are talking about.

I want to ask one other question. What is the Federal Highway Administration's position going to be, in the new legislation, regarding people who do not pay their fair share of the highway system. In other words, gasohol exemptions and things like this?

Mr. BARNHART. Fortunately the President has called for the repeal of the gasohol exemption as of the end of this calendar year. Now, that's including this tax program.

Senator SYMMS. But you know your direct boss, Mrs. Dole, and her husband, the majority leader, have a differing point of view on this.

Mr. BARNHART. Yes.

Senator SYMMS. That has something to do with growing wheat in Kansas.

Mr. BARNHART. Mr. Dole represents Kansas, a big grain-producing State, and the farmers out there are an important block vote perceived that the gasohol exemption is their salvation when in fact it is not. Secretary Dole, however, realizes that in the Federal-aid highway program, that gasohol exemptions are a terrible drain and an unfair subsidy, not to the farmers but to a handful of producers and manufacturers.

We have been extremely strong in demanding the repeal of that gasohol exemption. People don't realize what a penny or a fraction of a penny or a couple cents at the Federal level, translates into big bucks. But the gasohol exemption that was mandated in the 1982 Act over our objections——

Senator SYMMS. Over my objection.

Mr. BARNHART. And over your objection has meant that during the lifetime of the 1982 Act a billion dollars, which should have been distributed to the States on their highways, went instead to a handful of manufacturers of gasohol, which is 10 percent grain fuel and 90 percent gasoline. It's a terribly unfair subsidy paid for by the rest of the gasoline-purchasing public. If the gasohol exemption is not repealed by the year 1990 it will amount to a half billion dollars a year. If that isn't bad enough, then State governments follow the example of the Federal Government, and last year State governments had an additional $222.1 million exemption for gasohol. It's absolutely wrong, although the sponsor of "Meet the Press" every Sunday extols its virtue and I think people look at it and they believe it. But it's a bummer and it should be repealed.

Senator SYMMS. How about the buses?

Mr. BARNHART. The buses, I've wanted to do some changing there, and frankly, Senator, I don't think we'll accomplish that. You can get into all kinds of exemptions.

Senator SYMMS. Well, they have to compete with Amtrak.

Mr. BARNHART. Well, the Amtrak subsidy should be abolished. Everytime anyone puts his or her foot on that Cardinal that runs from Washington, DC over to Cincinnati, the taxpayer is subsidizing that rider to the tune of $136 per ticket. The people don't know that. Amtrak in the Northeast is necessary and should be supported. There's no question about it. But when you take on some of these other lines and you get some rail enthusiasts and the old buffs who say isn't it great to drive through this beautiful mountainous countryside, they don't realize what they're doing to the national Treasury. That subsidy ought to be cut, just like transit subsidies ought to be cut, just like the Small Business Administration ought to be abolished.

Senator SYMMS. You don't get any argument from me. Now you see why I brought him out here.

Mr. BARNHART. Well, I imagine, Senator, and I shouldn't grandstand here and I'm not grandstanding, but I really get disturbed about how people make up their minds on Federal legislation without knowing what it is. When we say that the Small Business Administration ought to be abolished and everybody says that's terrible, it's the life and soul of this country, but they don't know how Government defines it. Some of these truckers might be surprised to know that if you as a trucker don't gross over $37.5 million in 3 years, you're small as defined by the Federal Government. Or if you're a contractor not over $51 million worth in 3 years, that is small, or if you're a supplier and there's not over 500 employees, or you're pumping gasoline on the corner gas station not over $3.5 million a year. I think it's a fraud that's been perpetrated on the people. But they don't understand that fine print and so these programs continue and that's $9 billion a year.

Ninety-eight percent of all the businesses in this country qualify as small businesses and less than 1 percent of your competition receives the subsidy from you.

Senator SYMMS. Let me ask you one other question. When do you expect to send over the administration's legislation?

Mr. BARNHART. Well, we still have some critical issues to discuss, such as the 105(f), again a provision that I think is most unfortunate, but one that's very difficult to discuss publicly.

Senator SYMMS. 105(f) is?

Mr. BARNHART. Socially and economically disadvantaged business. Whenever one discusses honestly the very real problems of discrimination, race or sex, in public life, immediately you are branded a demagogue and a racist.

Senator SYMMS. Well, you told me that Idaho was meeting 14 percent standards. I guess this is an unfair question to ask you. I ought to wait until Carl gets up and ask him. Do you believe that we're really doing that or just doing it through shell corporations?

Mr. BARNHART. I'm afraid you'll have to ask Carl. I would say, Mr. Chairman, that last year Idaho did 14.6 percent with socially and economically disadvantaged businesses. There's no question but what minorities have not had a fair shake at participating in this private enterprise system in the highway program.

We, I think, have done a commendable job, and the record will show that ever since this administration got into office. But people don't understand it and don't perceive it.

Senator SYMMS. Weren't you increasing it each year? Wasn't there a trend that was being increased gradually?

Mr. BARNHART. Systematically, yes, sir.

Senator SYMMS. Starting back 10 years ago and it's gradually been increasing each and every year?

Mr. BARNHART. It has. And in the last year of the prior administration, before the Reagan administration came in, they had $232 million nationwide that went to minority contractors.

Senator SYMMS. These were bona fide, though?

Mr. BARNHART. Yes, sir.

Senator SYMMS. And it was a good faith effort to do it?

Mr. BARNHART. Yes, it was. $232 million. My first year we went to $358 million.

Senator SYMMS. Still bona fide?

Mr. BARNHART. Yes, sir. And the second year we went to $415 million.

Senator SYMMS. Still bona fide?

Mr. BARNHART. Yes, sir.

Senator SYMMS. I say it isn't bona fide now.

Mr. BARNHART. I say you're correct, because then the Congress passed a clause that said no less than 10 percent of all your funds shall be expended with socially and economically disadvantaged individuals. The States then were required by law to meet a goal and the Governors of the States endorsed those goals. As a result we went from $415 million in 1 year to $720 million the following year and we increased another $500-and-some million the ensuing year. Last year we did $1.264 billion of the program with minority contractors. That is almost triple what was done just a couple years ago.

Senator SYMMS. I had a guy yesterday tell me that all they do is pay this one fellow $5 a ton or something for asphalt and it's just a shell, just so they comply with the Federal regulations. We don't like doing that but we have no choice.

Mr. BARNHART. We have no choice but to enforce the law. We will route out the abuse and we will charge with criminal conduct wherever we can document that, but it is a very difficult problem to try to penetrate the corporate structures of these various companies. It isn't all bad.

Senator SYMMS. When are you going to send that bill over?

Mr. BARNHART. I would imagine in about a month.

Senator SYMMS. Good.

Mr. **Barnhart**. One last thing, and that is you had mentioned taxes. I do not want an increase in our Federal gasoline or diesel tax. I would like some changes in the law so we can more efficiently use the money that we already have. But Davis-Bacon, for instance, again one of perception, and I don't know if this is a unionized area or not, but you mention Davis-Bacon and people go bonkers. The union members say we've got to have it. The nonunion members complain. Each of us interprets things in terms of our own experiences.

But here's what's happened: Because of the Federal laws and regulations, we have to authorize the payment of the higher of either the State or the Federal Davis-Bacon laws, the prevailing wage. So we are having to pay out of the Highway Trust Fund, for instance, or unskilled labor down in Los Angeles $20.67 an hour for unskilled labor because by the formulas the Federal Government picks up 92 percent of the cost. In New York City, the Federal prevailing wage, which is done through surveys, was $15.01 an hour for unskilled labor, but the State prevailing wage, which is established through deals cut between politicians and the business agents of organized labor, the State prevailing wage is $19.07 an hour, $4 an hour higher because on the Interstate work 90 percent of all costs come out of the Trust Fund which is supplied by the country as a whole.

Because of this Davis-Bacon Act, I believe that more than $2 billion a year is added to the cost of the total Federal construction program and I think up to a half a billion just in the Federal-aid highway program. But people don't understand it and union members say we've got to have it. But if the average union member with his or her skills knew that unskilled labor was drawing $600 a week, I think they'd realize how they've been had. We have got to have some changes in legislation if we can operate our country efficiently. And that's what I would plead for, sir.

Senator **Symms**. Well, thank you very much. It's a treat to have you in Idaho and we look forward to working with you and look forward to this bill coming over. You're welcome to stay or to go enjoy the beautiful scenery in the area, whichever you wish, and we can get you a ride. Thank you very much, Ray.

Mr. **Barnhart**. Thank you.

Senator **Symms**. Next we'll have a panel consisting of Carl Moore, chairman of the Idaho Transportation Department, Duane Berentson, Secretary of Transportation of the State of Washington, Department of Transportation, Robert Bothman, deputy director of the Oregon Department of Transportation, and Warren S. Sparks, deputy commissioner of the Alaska Department of Transportation and Public Facilities.

Gentlemen, if you would come to the table, we're going to have Carl as our lead-off witness.

I'd like to insert in the record a letter from Governor Ted Schwinden of Montana and a statement of former State Senator William (Bill) Moore. (See pp. 153 and 158.)

Carl, go right ahead.

STATEMENT OF CARL C. MOORE, CHAIRMAN, IDAHO TRANSPORTATION BOARD

Mr. MOORE. Mr. Chairman, thank you very much. I do appreciate being given the opportunity to appear before a distinguished panel of this type. With your permission, Mr. Chairman, if I could have my written statement filed in total and I could brief some parts of it.

Senator SYMMS. Your entire statement will be part of the record.

Mr. MOORE. Mr. Chairman, it would be hard for me to overemphasize how much I appreciate the work that you've done in this respect. It would be impossible for us and Idaho to consider replacing these $12 and $15 million bridges at the rate we have done without that special approval. Mr. Chairman, I do appreciate the opportunity to comment here this morning. It is a real pleasure to have had this opportunity.

Senator SYMMS. Thank you very much, Carl, we appreciate your coming. We will continue to work on that and I think if we keep working at it we will continue to keep getting some of these replaced.

Duane, it's good to have you here today. You're been before this committee many times and I always welcome your testimony and insight into the situation. I might just say for the people that are here that the State of Washington, our next-door neighbor, has a slightly different situation than we have. They get hit on both sides of the issue. Washington State has the rural part of the State and the urban area in Seattle, so they can view it from either side of the fence. One day they're on the side of rural and on the next day on the side of the cities, but I would say that the State of Washington has been very cooperative and helpful to us, with their two Senators, in helping us with the formula even though your State comes out about the same, I believe. It was almost 50 cents difference on the big fight we had in the Senate in 1982, but they did support the rural States and we appreciate that. Go ahead.

STATEMENT OF DUANE BERENTSEN, SECRETARY, WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

Mr. BERENTSON. Thank you, Senator Symms. I might mention that from what I've heard we may be testifying here to the wrong Senator. I think your thinking seems to be pretty straight as it affects the Western States. Our real chore might be back in Washington, DC, where some of your compatriots reside.

Senator SYMMS. Well, we have this on the record, though, so I believe it's very helpful to me.

Mr. BERENTSON. Mr. Chairman, I am Duane Berentson, secretary of the Washington State Department of Transportation. We are pleased that this subcommittee is affording the Western States an opportunity to present their views on critical issues of Federal-aid highway programs.

Mr. Chairman, before individually addressing our various concerns, I would like to summarize our overall position.

We urge the continued congressional commitment to completion of the Interstate System as rapidly as possible. It is essential to the accomplishment of this goal that Congress provide higher levels of highway obligation authority, particularly for States with large amounts of interstate construction work, and assure the States that final interstate construction apportionments and unobligated balances will remain available until obligated, without lapsing.

Any proposed change to the interstate 4R apportionment formula should be based at least 60 percent on interstate lane miles.

An equitable allocation of interstate construction and interstate 4R funds should include a one-half percent minimum apportionment for each State having interstate miles.

The Federal-aid secondary, urban, and other local highway and bridge programs should be continued with a modest increase in Federal funding.

A matter of great concern to our Department is the goal of completing the Interstate System. We have been given many assurances that Congress is comitted to completing the system as rapidly as possible.

Regretfully, however, we have experienced uncertainty and delay in Federal interstate construction funding for the past 2 years. In addition to highway construction delays which have already occurred in many parts of the country, there is a continuing impact which is even more critical. This impact is related to the Federal highway obligation ceiling and the States' ability to utilize available interstate construction funds.

Previous delays in passage of the interstate cost estimate resulted in States receiving 18 months of interstate construction apportionment in Federal fiscal year 1985. The highway obligation ceiling, however, was set at a level insufficient to allow obligation of even 12 months of all Federal highway apportionments. This leaves States such as Washington unable to obligate all interstate construction funds available and to meet the many other critical needs on the Federal highway system. In Washington State we will have an unobligated balance of more than $50 million in interstate construction funds which must be carried forward each year. A significant impact of this situation is that without the ability to obligate all available interstate construction funds, the State cannot be eligible for interstate discretionary funds, which are so essential to Washington's program for timely completion of the interstate.

It is imperative that Congress provide higher levels of highway obligation authority, particulary for States with large amounts of interstate construction work, to allow utilization of available Federal highway funds and rapid completion of the interstate.

States must also be assured under the new Surface Transportation Act that final interstate construction apportionments and unobligated balances will remain available until obligated, without lapsing.

Another major issue which has been considered recently is a review of Federal highway apportionment formulas. We have been greatly concerned, as have most Western States, with proposed changes to the Interstate 4R apportionment formula.

Proposals for more use related formulas, particularly those which would use travel and fuel consumption factors only, would reduce apportionments to most Western States. An equitable interstate 4R apportionment formula must recognize the number of lane miles of interstate highway located in each State. This relates directly to the issue of the ability of States with small populations and large acreas to raise sufficent revenues for highway needs.

Any new interstate 4R apportionment formula should be based at least 60 percent on interstate lane miles. This would also supply to any proposed combination of interstate 4R and primary apportionments.

We believe, however, that an equitable allocation of interstate construction and interstate 4R fudns should include a one-half percent minimum apportionment for each State having interstate miles.

It is also important to note that States with small populations and large areas depend on continued Federal support for local highway and bridge programs such as those under the Federal Secondary and Urban Programs.

Approximately 50 percent, or more than 3,000 miles of Washington State's Federal-Aid Secondary System [FAS] is not up to design standards. At an estimated cost of over $200,000 per mile, it will cost more than $600 million to construct or reconstruct the deficient portions of this system. With the present level of FAS funding in our State of about $10.8 million per year, full development of our FAS System is many years in the future.

Adding to this problem is the recent abandonment of a significant number of miles of rail trackage. The Staggers Rail Act of 1980 has eased the process of rail abandonment. From 1980 through 1985, 970 miles of trackage have been abandoned in Washington State. Another 89 miles is currently pending abandonment. As a result, voluminious quantities of agricultural products will travel from eastern Washington to markets or ports by truck instead of rail. This severely impacts many of the rural roads in our agricultural areas. At the same time, the Federal Government has been cutting back on Local Rail Service Assistance Program funding, which could be used to mitigate the adverse impacts of rail abandonment.

We are concerned that recent proposals for block grant funding of local highway and bridge programs could lessen the significance given to these programs. This could create uncertainty and opposition from State and local governments unable to raise sufficient revenues. We believe that the Federal secondary, urban, and other local highway and bridge programs should be continued, with a modest increase in Federal funding.

In closing, Senator, I would like to again thank the subcommittee for the opportunity to express our views on the issue and we will be more than happy to be available for any information that would help in your deliberations.

Senator Symms. Well, I thank you very much for an excellent statement.

Mr. Bob Bothman.

STATEMENT OF ROBERT N. BOTHMAN, DEPUTY DIRECTOR, OREGON DEPARTMENT OF TRANSPORTATION

Mr. Bothman. Good morning, Mr. Chairman. I am speaking on behalf of the Oregon Department of Transportation this morning. It's very appropriate that you're holding these hearings out here in the West and holding the hearings, period, because we're looking at the revenue forecast that the trust fund's of course, not funding the program at the current level through 1989, at the same time we at the State level are facing greater needs. Completion, although somewhat controlled, is still a factor. Our systems are deteriorating and wearing out. In Oregon, at least we're still growing, so we have a growth problem. So all of these things are contributing to greater needs and it looks like our revenues have certainly leveled off.

We'd like to, from Oregon, make a couple recommendations for your consideration. We certainly support completing the interstate in 1990. We propose perhaps consideration be given to coming up with a final interstate cost estimate and then funding that cost estimate to complete or at least have all the System under construction by 1990. We'd like to see you give consideration to stabilizing the trust fund and perhaps from a number of ways as an example extending the trust fund indefinitely so that at the State level we have a dependable amount of income even though perhaps not sufficient, but we know what we have to work with and we can develop our programs.

We certainly support all of the discussion on elimination of the gasohol exemption and feel that's very appropriate. And finally, along the way of the stablilizing the funds, we support consideration to allowing States to provide a higher matching ratio on Federal funds. This would of course from the Federal level allow for stretching those Federal funds further.

We certainly support all the efforts you can bring toward maintaining the current 4R formula. Like all of most of the I should say Western States, there needs to be consideration for Oregon of the lane miles. And I might add, like Idaho and other States, we may not have the high volumes on our local mileages, but at the same time we have the winters and the winters take their toll. And those freeways in eastern Oregon have served their 20 years very well. However, they're wearing out, and we need to keep the repairs to those.

The last thing in Oregon, I'd like to mention is the discretionary bridge program. We're sort of a bridge State, different than the definition given to Idaho that being by Carl or someone that said Idaho is a bridge State on one side—I guess that's maybe Oregon—and some State on the other side. In the case of Oregon, of course we have the coastal highway running down the ocean with a number of major rivers running into the ocean crossed by large bridges. The cost of those bridges is $9 to $60 million apiece. The first one that you will have already maybe heard about or will certainly hear about from us is the Alsea Bay Bridge, one built about 50 years ago. It's been determined not only by our own staff but by others that have about a 5-year life when we'll have to restrict that bridge to heavy trucks. The detour is 50 miles away, and that's 50 miles over the coast range and then 50 miles back. It's not an alternative, so we can't do that.

Along that line we would suggest that perhaps the discretionary portion of that program be increased to $300 million to deal with those States, and it seems like Idaho apparently has the same problem, that have these higher cost bridges so there's some source of money to go after those higher cost bridges.

The second part of that would be what we call a buy-down provision, and again that's giving the States the opportunity to buy down the amount of Federal funds needed, putting up more State funds, which would then raise the cost benefit for the use of Federal funds. That would make the money more available to Oregon and, of course, stretch the Federal funds.

We certainly appreciate the opportunity to advance these comments and there are others in our written testimony. Thank you.

Senator SYMMS. Thank you very much. Warren Sparks is next.

STATEMENT OF WARREN SPARKS, DEPUTY COMMISSIONER, ALASKA DEPARTMENT OF TRANSPORTATION

Mr. SPARKS. Good morning and thank you, Mr. Chairman. My name is Warren Sparks and I'm the deputy commissioner for the Alaska Department of Transportation. I have delivered the comments that I brought with me today for the Western Governors' Association and I would like to enter those into the record. It's the statement of the Honorable Bill Sheffield, Governor of Alaska, and the Honorable William J. Janklow, Governor of South Dakota.

Senator SYMMS. Without objection, that will go in the record.

Mr. SPARKS. I'd like to just pick up two points out of their statement that I'd like to stress here. Your committee has before it right now a bill, Senate bill 1488, which proposes a consolidation of the Primary and the Interstate 4R. The Western Governors' Association's concern on that is that 14 of the 16 States in the Western Governors' Association are losers on that proposal to the tune of a quarter of a billion dollars. The House also has a similar bill before it right now, H.R. 3129, proposing similar type consolidations. Fifteen of the 16 Western States are losers on that to the tune of also about a quarter of a billion dollars.

The last point of the Western Governors' Association's statement I'd like to stress is their request that any consideration to increase the flexibility or to move the decision process closer to the State and farther away from the Federal Government would be a strong goal of theirs.

Speaking on behalf of the State of Alaska, I would like to compliment the Senate on its work through the years on the Surface Transportation Act. I think the Senate has prevailed in the development process, especially the 1978 and 1982 acts, when possibilities of the Surface Transportation Act really changed in character. And for that I think the Senate deserves a considerable compliment.

I consider the highway trust fund and that program to be probably the most successful program that the U.S. Government has ever entered into a cooperative agreement with the States on, and Alaska totally supports that. As a matter of fact, Alaska is very satisfied with the transportation trust fund and the decisions and compromises that were reached in the 1978 and 1982 acts. The average development of a project, a major significant Federal-aid project, easily runs from 5 to 8 years from the time you start your original location in continental work until you're ready to do a contract. One of the successes of the trust fund in the program has been the relatively stable, ongoing program with consistent goals year after year with the authorizations. The 1978 act departed from all the previous acts significantly in introducing the 4R requirement. The State of Alaska was very fortunate in that many of the projects that we already had in this have a 5- to 8-year development process qualified for that. But Congressmen were concerned about the fact that when we make major deviations in the program, they have to recognize that there is already a very large ongoing program moving its way up ready to use funding that qualifies for those programs.

Alaska also supports the completion of the Interstate program by 1990. However, Alaska didn't get into the interstate program until 1982, so I don't think we're going to make our share of that.

We strongly support the half-percent minimum, and I believe not only does it make equitable distribution, but it's an incentive to get the Interstate Program completed and be able to use the funds in other categories. I think the Nation has got to be proud that in little less than 30 years this Nation has built over 40,000 miles in the Interstate Program. In the process of this it did not abandon or neglect the primary system, the secondary system, the urban system, bridges, safety, rail crossings. It succeeded in doing this because of the categorical programs that it maintains that recognize not only the State but national policy concerns and interests. If it ain't broke, don't fix it. Thank you.

Senator SYMMS. Thank you very much. I want to thank all of you. I have some questions I want to ask, but the first question I'd like to get to relates to your statement, Mr. Bothman, from Oregon, where you say you'd like to make the trust fund a permanent fixture so we'd have this lasting stability to allocate these funds. I guess I'd like to ask this question to each of you, because it does concerm me a lot. I've been asked to introduce legislation or to support legislation that would do that. If that comes under the purview of the Finance Committee, which I am also on, so I get involved in the highways both in the Finance Committee where the tax has to be raised or the users fees and then in the Public Works Committee where we apportion the formulas, but the question is if we make the trust fund permanent and if we lose on the formula fight, then are we kind of taking a risk? I'd like to know what the formula is going to be before we extend the trust fund any further. I'd like to have your view on this, because I know on one side that there are problems if you do away with the trust fund.

If Oregon has a different tax than Idaho and Washington has a different tax than Idaho and Montana has a different tax, pretty soon you've got people trying to figure out which State to buy their fuel in. There is some good to this consistency on the uniformity. There's some already, but there is a stability in the program. But how do we address that question? If we could block grant all this money to the States, would you feel comfortably then to extnd the Trust Fund?

Mr. BOTHMAN. I think in Oregon we would, and I think the overriding factor is the stability of the funds. We too, of course, like all States have a 6-year program and those projects take 6 to 8 years to do. So we need to know in advance what our funding really is.

The allocation of funds is serious to us, and whether that is decreased or not is an issue, but I think it's overriden by heavy continuity of the highway program.

And the Highway Program is a beautiful program. It's one of the few where there is a program as opposed to a year-by-year guess at what your funds are going to be.

Senator SYMMS. Well, while you're talking, because this is an Oregon-related question, the Federal Highway Administration has a hard time sustaining the discretionary bridge program, because the Members of the Congress continue in the appropriation process to specify who gets the discretionary funds on the bridges. But you said you wanted to increase that authorization. Do you want to comment on that? I see you have a problem.

Mr. BOTHMAN. Well, it's sort of like an Idaho problem would be, in the sense that our bridges down on the coast highway are low volume and particularly low truck volume bridges, so the continuity is a demand on the system there, but the usage is low, so when we measure that into the factoring point, we just don't stack up. The backlog there, and I don't know the exact numbers, but it's between $1 and $2 billion, I believe, for the use of those funds. And that particular bridge we're talking about is years and years away.

So I guess we've used our delegation just like Idaho and we're very happy with the work of our delegation, too. They do a good job, but I think still is an issue we have to try to somehow work away to get a blend between State funds and Federal funds and get the job done. I guess that's the overriding factor with the Bridge Program, too.

Senator SYMMS. I appreciate that. Did any of you want to comment on that other question, Carl or Duane, on the length of the trust fund?

Mr. MOORE. Well, Mr. Chairman, we are seriously concerned over efforts to change the distribution formula. Under some proposals Idaho would suffer very heavy losses. On the other hand, we still maintain some optimism that with the representation in the Senate that we will be able to withstand those efforts and maintain a reasonable degree of fairness in this distribution. We would like to see the trust fund continued, but we are concerned about the formula.

Senator SYMMS. I just want to make sure we don't want to get it extended for 10 or 15 or 20 years and find out we're stuck paying it and somebody else is getting our funds. I wish we could correct and modify questions like Davis-Bacon and minority business and those things.

On that point, Ray Barnhart throws some pretty good statistics around about the percentage of the minority business. Do you think he's overstating the case? I thought they were doing well. I thought that they were making good progress and they were really developing some minority business contractors. I don't think they're doing well now. I think they're backsliding. Am I wrong?

Mr. BERENTSON. I might comment on that issue. I think we have been fortunate as a State. We have been at it probably longer than most States. We also have recently had legislative action which created a new State office for minority and women business opportunities, and the certification is handled there. We used to do our own certification and I think we did a pretty decent job. In fact, we took our people down to train.

The real negative, as far as getting there and getting there fairly, is not addressing what the percentage should be. It's been a tremendous blow to a lot of small specialty contractors. There's no question about that. In our State, in the eastern half of the State it is more difficult to find qualified minority WBE's than the western part.

Senator SYMMS. How about including women into the disadvantaged to help with the number?

Mr. BERENTSON. I'm not sure I understand what the difference is between the categories.

Senator SYMMS. I think disadvantaged is a new word, isn't it? I think that's all that is. It used to be called minorities, and somebody thought it would be better to call it disadvantaged. But I think there's a category of Native American Indians, Hispanic, Black, Eastern Asian, Alaskan Indians.

How are we doing in Idaho, Carl?

Mr. MOORE. Mr. Chairman, 14 percent I think is about the figure where we are. I feel that it's improper for the national law to establish a quota of 10 percent. It does damage existing small enterprise when you have to make that kind of a change and do it quickly. I feel that the 14 percent, which we report, is a legitimate figure, in Idaho I think we know our people well enough that we can sort out in most cases the front organizations which are not true minoreity groups.

Senator SYMMS. Well, if the Senate would leave this out of the bill this year, we run the risk of going to the floor and having somebody coming in and offering an amendment that would be very restrictive, and it's sensitive politically. I thought that the Congress, by making a statement that we wanted to try to encourage minority business enterprises was helping bring these people on so they would become legitimate contractors was the way to go. I've had some people come to my office recently. Frankly, they tell me horror stories. This one fellow said if I went out and told the U.S. attorney what I'm telling you, he said I'd probably get arrested. I think that's a tragedy for us to be doing that in the Federal law. It's not fair to the minority people, because in some cases they get left out of the loop if a front is created. Then they really don't get the opportunity to participate. They may have a bigger number, but there's really not as much minority participation.

But are these people in Idaho, the 14 percent, mostly doing the rails, seating?

Mr. MOORE. Right, not the main grading jobs.

Senator SYMMS. Not the main construction jobs?

Mr. MOORE. That's right.

Senator SYMMS. That's where you're talking about, that the guy that was the small business person——

Mr. MOORE [continuing]. Is being crowded out of business.

Senator SYMMS [continuing]. Is being crowded out of business who was a legitimate operator because he was not a minority?

Mr. MOORE. That's right.

Mr. SPARKS. I'm going to say with the disadvantaged program for the State of Alaska, we have certainly had our attempts at any sort of fronts and shells and we have been able to enforce that pretty well in a thorough certification process. I would think that in our State I would perceive the biggest impact is what I call bid shopping, which is basically the contractor forcing minorities to giving a price less than a nonminority-type facility and actually shopping around in the bidding area. And that's added a real impact.

As far as the legitimate minority businesses serving as pass-through fronts, which I think is probably next to the largest concern in that area, we have encountered that and have pursued that vigorously, and we have got the contracting community, in our State anyway, pretty hesitant to enter into that type of a transaction. That's the key to thinking like that, is in training our project personnel to spot pass-through minorities.

Senator **Symms**. Are there other accesses that we should be trying to include for States to pay their share to private land contributions or do you have any comments on that? Any kind of private sector participation, which leads me to my second question which you can address them both at once if you wish, is toll financing for helping to finance State shares and so forth. You've got a problem over there where you've got $50 million that you haven't been able to spend.

Mr. **Berentson**. That's because of the obligation of the control aspect. The apportionment formula is they say you can spend only this much and it appears that you're going to continue to do that. And with that, the Federal Highway Administration tells us to relax, you'll get it in the end, but we're not too sure. We really believe that we're very antsy because of obligation control.

Senator **Symms**. In other words, you mean that this money says that you could only spend it for——

Mr. **Berentson**. No; under the apportionment formula and the categorical programs, we get an apportionment of dollars, but then with obligation control, which you impose, the Federal Highway Administration imposes, we can't spend it all. Then we have to sort of shovel around and decide whether we're going to take some 4R for a short period of time and move it over to interstate costs only. And with that limitation we have not been able to obligate what we call in the business a zero out, so that we can access the discretionary funds, the $300 million in discretionary.

So I might just say for a State like ours, the best thing that could happen is at least on the interstate cost to complete that you remove obligation control for that portion. Now, I don't expect politically that would be that easy to support, because there are too many States that have already completed and they're now turning to their interest in 4R, maintenance of the system. I don't know. I imagine Oregon has a little bit of an interstate cost to complete problems as far as zeroing out and excess discretionary.

Senator **Symms**. Is there any point here where we may start finding States doing 4R work prematurely just because it's available that we ought to be spending money on the primary or the rural or secondary systems or something?

Mr. **Berentson**. I suspect you'd have a tough time getting any State to believe that they don't need all of the 4R funds, because the system is now 25 years old in the West and there are probably 12 or 13 States nationwide that still have a significant challenge of completing the interstate by 1990. If what I have understood just from talking to the few people just recently on the Congressional level, if you continue to impose obligation control or limit the amount of apportionment that we can obligate, you're not going to take away from us but you're going to just keep pushing it out in front of us where we can't get at it. I don't see any way that we can complete the interstate or even have the obligation out there by 1990. If what we hear now is true for this coming session, it probably would push the interstate to 1995. And some people might say that's not the end of the world, but when you're looking at a stretch through a very heavy residential area, which I-90 is now from Seattle east, it's starting to look like Vietnam after the war and people aren't going to want to live with that for 5 years.

Senator SYMMS. How about some of the local highway districts in the Western States in general? I hear and I am concerned about the fact that some roads that used to be paved are now going back to gravel roads.

Mr. BERENTSON. That's not the case in our State. Let me point out that in the many, many categorical programs, I suspect that most States are more concerned about what now is being termed roads of national significance. When you get down into the urban, secondary, we're all suffering a little bit. But we happen to believe in our State, I believe at least, that the block grant approach is not the end of the world, either. It sounds good and philosophically maybe we should be saying give it back to the States. As Warren said, the system has worked well. It isn't broke, so don't fix it. And I'm afraid that if you go to a full block grant program, and I'm not sure if I know what a block grant program is by definition, but it basically means you're going to give it back to the State to do what they please with it, but remember then there are a lot of other instrastructure problems out there and cities and counties might not be delighted with that, because they're going to have to just scatter and compete as will the State for those funds. So it isn't an automatic.

I believe that you'd be better off to leave the categorical program in place, fund it a little better, as impossible as that seems right now, because it is the only Federal program historically that has worked just about like it's supposed to work and has worked very well.

Senator SYMMS. Just to pursue that a little further, I'm directing this to the group. If I understand it, the administration, through what Mr. Barnhart talked about, is trying to get it so that if the local highway district can get so many Federal dollars, that the Federal Government just gives them the dollars, and if they want to go out here and negotiate with the farmer moving his fence back or something, they just go to it at the local highway level and fix the road and the Federal Government doesn't impose a lot of standards, so they don't have to spend so much of their money on engineering and spend more of it on asphalt and blacktop and covering the surface.

If there's any answer to that, that's what I'd like to do, is to have it so that we can be flexible enough so that we withdraw the Federal Government from interfering when it's not necessary, because you've got plenty of competent engineers in the State highway administration to take care of this without having another set of engineers on the top trying to go out and play and pretty soon you spend all of your money planning. I remember when my uncle was in Carl's position, they used to do a road 3 years from the time they started planning it until they completed. You're talking about 5 to 8 now. Somebody in here said 15 years.

Mr. Berentson. I-90 is taking 25.

Senator Symms. Well, if we keep going on like this we won't have to build more roads. We'll just plan.

Mr. Sparks. Senator, on your previous statement there as far as a passthrough, my understanding, and I think Ray Barnhart hinted at it a little bit this morning, and my only personal experience with Federal funding is basically any money that comes out of the trust fund is subject to the National Environmental Protection Act and subject to all of the congressional provisions that are put on the trust fund.

Mr. Moore. Mr. Chairman, in regard to the highway districts, it would be extremely helpful if the specifications could be a little more flexible so that the State and local people could have more say about what they need in a given condition. The money would go further. The jobs would be done quicker.

Senator Symms. Just try to look for more flexibility?

Mr. Moore. Exactly.

Mr. Berentson. We are doing State jobs in highly urbanized areas with the developer participation and I believe you will see more of that as it relates to Federal funds, and we have to look at what restrictions are there. There are some groups that are hard to jump through right now.

Mr. Sparks. We have done the same thing with Anchorage, which has grown 40 percent in less than 5 years. It's about the size of Spokane right now, and not too long ago it was about 50,000 people. And the State did take some pretty valuable State funds and step aside of the Federal program and build a couple of major urban streets with that just because Anchorage was strangling. There was no way you could get through the environmental and the right-of-way before you could get it contracted. But it's a luxury that the State of Alaska can't afford to do many times.

Senator Symms. None of you have made a comment about toll financing yet. I want to ask about that.

Mr. Moore. Mr. Chairman, in Idaho toll financing is not a viable probability.

Senator Symms. I had some people talk to me the other day, Carl, and they said what you ought to do is have a toll road on 95 and we could all pay $10 or $15 apiece when we drive up there and we could pay for that thing in no time, so would you answer that?

Mr. Moore. The cost of collecting tolls is such that with the low traffic volume which we have, Highway 95 is absolutely vital to the economy and well-being of Idaho. There isn't any question. But it's a light traffic volume. Because of the low population numbers we just don't have a lot of traffic on there. But that traffic which is there is absolutely vital to the well-being of the State, both economic and social.

The fact is, however, if you were to make it a toll road, the cost of collection would take all the income and you'd end up having to charge a lot of people money for something they didn't get.

Senator SYMMS. How about like the Cheney connector?

Mr. MOORE. I think there you might have a possibility of high volume traffic, certainly. There again their cost of collection is exorbitant.

Senator SYMMS. It would probably be easier to cough up the money on the one end and pay for it?

Mr. MOORE. I think so. The users fees that we're paying now, gas tax and registration fees and so forth, are the fairest way of collecting these moneys, because the fellow that doesn't use the toll road, for example, is also gaining because it's there. Overall it should be a total program.

Mr. BOTHMAN. Mr. Chairman, in Oregon we've looked at a couple toll roads over the coast range and even if the capital were financed by some Federal funding program or whatever and we only charged for the operation, I think our numbers came out like $160 a trip would be the toll. Now, on the other side of that coin, we support the toll road idea mainly as another option. We're using developer funds, we have a State program, $200 million modernization program funded with State funds in Oregon, and one of the major criteria is 50-percent funding by the developer involved in that particular area, or developers. So I think our position is that we need all the flexibility and all the options. If it doesn't fit, don't use it, but if it does fit, and specifically we're looking at another freeway up in the Portland region, and there we do have high volumes and it may be applicable. It sure doesn't fit the Oregon style to have a toll, but it may be an option. We should have all the options we can look at.

Mr. SPARKS. I think that the real problem you're faced with here is that tolls can be collected many ways other than a booth. There can be special users charges for resource-type things. Right now the problem is that if you constructed a facility with Federal funds, you are restricted from being able to impose any kind of a toll, unique, restrictive or special type tax. And as the needs grow and the costs go up and the States are faced with more and more alternatives, that prohibition from being able to charge any other type of fee, whether it is a toll booth or whether it's a unique licensing fee for just a specific route or a flat-out rate permit that costs somebody $2,000 a year to operate on, we're prohibited from doing it now. We don't have that option.

Senator SYMMS. Thank you all very much.

Mr. BERENTSON. Senator, I want to leave you with one thought regarding Amtrak. Washington State has the largest ferry system in the States. We haul 18,000 annually and that's how many people Amtrak hauls annually.

Senator SYMMS. In other words, you haul as many people around the Seattle area?

Mr. BERENTSON. As many in our commuter runs as Amtrak does annually.

Senator SYMMS. Is your system paying?

Mr. BERENTSON. Well, very well as a public transportation.

Senator SYMMS. I want to compliment all of you for an excellent statement and we'll continue to work very closely.

Mr. MOORE. Thank you very much, Senator.

Senator SYMMS. The next panel is Ernest Geissler, director of the Washington State County Road Administration Board, Ray Oliver, executive secretary-treasurer of the Idaho Association of Highway Districts, Roy Bodine, chairman of the Post Falls Highway District, Darrell Kerby, county commissioner of the Nez Perce County, and W.R. Jones, chairman of the Teton County Commissioners. We are going to hear from Ernest Geissler first, because he's got to get on the road I understand, so Ernie, please go right ahead.

STATEMENT OF ERNEST GEISSLER, DIRECTOR, COUNTY ROAD ADMINISTRATION BOARD, STATE OF WASHINGTON

Mr. GEISSLER. Thank you, Mr. Chairman. I appreciate your indulgence and that of my fellow panelists here.

The County Road Administration Board is an agency of the State of Washington created by the legislature 20 years ago. It is composed of six county commissioners and three county engineers from various size counties and various parts of the State appointed to staggered 3-year terms. The present chairman is Yakima County Commissioner Chuck Klarich who sends his regrets for not being able to present this bit of testimony in person.

The County Road Administration Board's primary responsibility is to assure that the State's 39 county road departments are being administered and managed in reasonable compliance with State law and regulation. The board and its director serve as a focal point and spokesman for the counties of the State of Washington relative to road matters. The board and its director have been active in legislative matters at State level and participate in all discussions and hearings on legislative proposals that affect or impact county roads.

Two years ago the board was given the additional resposibility of administering a rural arterial improvement program funded by earmarked one-third cent of the State gas tax. This program is now up and running and is geared primarily to meet the extensive county arterial improvement needs of agricultural eastern Washington.

Railroad abandonments during the past half dozen years have significantly affected truck traffic patterns in our State and have resulted in greatly increased heavy truck traffic on hundreds of miles of county rural arterials which were neither designed nor constructed for that type of traffic.

About half of our State's rural arterial system of major and minor collectors is on the Federal aid secondary [FAS] system. Recognizing the magnitude of needs on this system and the scarcity of funds available to counties for improvements to the system, our secretary of transportation and transportation commission 2 years ago agreed to a restructuring of the FAS fund distribution so that now counties receive approximately 80 percent of the FAS allocation to the State as compared to 50 percent previously. The combination of the new RAP Program and revised FAS distribution has resulted in making available an additional $10 million per year for capital improvements on our major and minor collectors. We anticipate that, at the present rate of improvement and at the present low rate of inflation, we should be able to catch up with the needs in about 65 years. That may sound like a long time but, without the RAP and FAS Programs, we would never catch up, literally.

We are deeply concerned when we hear national organizations proposing that the FAS system be eliminated from Federal Aid in the future. In comparing the conditions of the various Federal aid systems in our State, we find that the FAS system and FAUS systems are by far the most underdeveloped in terms of applicable geometric designs standards. We find also that the two local systems have far worse accident and fatility rates than either the interstate or primary systems. It has been our expectation that upon completion of the Interstate Program which finally seems to be within reach, there would be a reallocation of highway trust fund revenues which would place additional sums into those programs which, during the past 20 years, have been underfunded; namely the FAS and FAUS.

We would also point out that highway trust funding for off-system bridges and for high hazard locations has been of great value to hard pressed local governments, which often have no other source of funding for badly needed projects in these categories. These vital safety programs must not be eliminated until all structurally deficient bridges have been replaced or rehabilitated and until conditions at high hazard locations are corrected.

The County Road Administration Board of the State of Washington, therefore, urges your committee to provide for a continuation of funding for the FAS, FAUS, Off-System Bridge and Highway Safety programs in the 1986 Surface Transportation Assistance Act at a level no less than the existing percentage of total available funds. This board would also support the concept of a State administered local systems block grant program for those States willing to guarantee no less than the same percentage level of funding to all local jurisdictions as presently provided.

Four years from now your committee will be thinking in terms of a post interstate completion program. There seems little doubt but that our nationwide highway, road and street system will continue to be our major transportation system for many years to come. For this reason, we would urge that the highway trust fund be extended indefinitely and made permanent. We would urge also, that in the years between now and 1990, the FHWA be required to update its nationwide needs information with special emphasis on the primary, FAS and FAUS systems so that up-to-date information will be available for the Congress prior to the time that decisions must be made regarding a post interstate highway funding program.

In closing I would like to express appreciation on behalf of the members of Washington State's County Road Administration Board for being given this opportunity to present our testimony.

Senator SYMMS. Thank you very much, Ernie. We appreciate having your testimony. Next is Ray Oliver, executive secretary-treasurer of the Idaho Association of Highway Districts.

STATEMENT OF RAY OLIVER, EXECUTIVE SECRETARY/ TREASURER, IDAHO ASSOCIATION OF HIGHWAY DISTRICTS

Mr. **Oliver**. Mr. Chairman, I am Ray Oliver, executive secretary/treasurer for the Idaho Association of Highway Districts. We are pleased that your subcommittee is affording us the opportunity to present our concerns on the reauthorization of the Surface Transportation Act of 1982.

Our association consists of 64 special taxing districts with administrative responsibility for 12,000 miles of public secondary roads and streets in the State of Idaho.

Mr. Chairman, I am sure that you are well aware that the Nation's highway system is deteriorating at a faster rate than the present maintenance and construction funding provides. And while we share the concerns of Federal and State highway administrators, our primary concern is for local needs at the county, highway district and city level. The local needs all seem to be forgotten when compared to Federal and State needs when Federal highway funding programs are enacted.

The local road system is a vital link in the overall national transportation system. Without the local road and street connection that provides direct access to the people and adjoining land the journey to market and the freeway could never begin.

We at the local level find that the streets are required to provide more use with considerably less funding each day. As our population increases, so does the average daily traffic count on our roads. As railroads reduce their freight lines, the freight moved over our roads increases. As more people move to the rural area, greater demands are placed on the county road and street systems. In addition to the increased use of our roads creating additional maintenance costs, inflation has eroded the buying power of the funding we have had. All of the above results in deferment of major capital improvements and then eventually the deferment of even maintenance needs. The continual deferement of capital and maintenance needs will result in a major loss to the capital investment in our overall highway system, which will have a significant effect on the mobility of our country.

Clearly, if we are to maintain an efficient highway system in this country, user fees must continue so we can provide for the increasing demands on the highway programs. We are not in a position, however, to provide technical information as to whether one group should pay more or less as their fair share of the highway construction or maintenance cost. We do, however, wish to emphasize the fact that local street and road capital improvement programs must receive their "fair share" of any funding programs.

When we review the net result of the present funding process, it certainly seems to us, at the local level, that we have received the "short end." The attached data sheet provides a comparison of the 1982 Federal funding with Federal funding for Idaho for the past 4 years. The sheet shows that locals received $8,023,000 Federal funds with an increase to $10,825,000 in 1986—a net increase of $2,803,000 to meet the needs of locals with their responsibilities for 28,000 miles of road and streets. Whereas, the State highway department received $43,064,000 Federal funds in 1982 with an increase to $77,524,000 in 1986—a net increase of $34,460,000 to meet the needs of the State with their responsibilities for 4,900 miles of highways.

In 1982, when the STAA was conceived, there was plenty of evidence to indicate a need to improve our highways and bridges, and the act would provide the necessary funds to complete the interstate and to rehabilitate the existing interstate routes and the States would provide funding for State and local needs. However, in Idaho, our legislators have been reluctant to provide the funds needed by locals because of the increased Federal fuel tax, excise taxes, and registration fees. In 1982, there were many people that felt the higher Federal taxes shared with locals would solve all the Nation's highway and bridge funding needs. The average taxpayer didn't realize how little their local needs would be met.

As you know, in Idaho our farmers and loggers are in a very difficult financial position, and it is difficult to ask them to bear an additional burden for highways when they received so little as a result of increased taxes related with the STAA-82 and considering the fact that most of them use the interstate system.

It becomes even more difficult for those farmers and loggers when local road agencies have to put road and bridge load limits on for longer periods of time each year to protect what roads they have.

We at the local level would also request that when you consider future highway funding that you would review and reduce the "mountain" of rules and regulations we at the local level are confronted with to receive any Federal funding. There are many cases where the local unit of government could construct a highway or bridge to adequately meet the needs of the public at one-third the cost of having to go through the administrative gauntlet of obtaining Federal aid funds. Consequently, many of our smaller cities, counties, and highway districts never apply for Federal highway funding because of the redtape and time delays which are always a part of any Federal assistance program. We would prefer to see a portion of the Federal highway fund be allocated to the States and automatically transferred to the local units based on a formula considering population, highway mileage, registered vehicles, and units of government with highway responsibility.

The American people have invested billions of dollars in our transportation system and now the future success of that system is dependent on your efforts. So, please, in your future funding programs don't forget the local street and road system deserves national attention, becasue we too are an essential part of the total transportation system.

Thank you for the opportunity to share our thoughts and comments with your committee.

[An attachment to Mr. Oliver's statement follows:]

COMPARISON OF FISCAL YEAR 1982 FUNDING WITH THE HIGHWAY IMPROVEMENT ACT OF 1982 (FISCAL YEAR 1983–86) LOCAL UNITS/STATE D.O.T.

[In thousands of dollars]

Program	Fiscal year 1982		Fiscal year 1983		Fiscal year 1984		Fiscal year 1985		Fiscal year 1986	
	Local share	State share	Local share	State share	Local share	State share	Local share	State share	Local share	State share
Interstate	0	15,114	0	18,002	0	18,002	0	18,002	0	18,002
Interstate 4R	0	7,713	0	18,249	0	22,460	0	26,203	0	29,479
Primary	0	12,307	0	16,646	0	16,682	0	18,271	0	19,462
Secondary	2,380	2,380	3,979	3,979	3,979	3,979	3,979	3,979	3,979	3,979
Urban	3,820	80	3,820	80	3,820	80	3,820	80	3,820	80
Bridge replacement and rehabilitation	1,030	3,090	1,691	3,140	1,751	3,253	1,873	3,478	2,236	4,152
Hazard elimination	354	1,063	354	1,063	354	1,063	354	1,063	354	1,063
Rail-highway crossing	439	1,317	436	1,307	436	1,307	436	1,307	436	1,307
Total	8,023	43,064	10,280	62,466	10,340	66,826	10,462	72,383	10,825	77,524
Dollar increase compared to 1982		2,257	19,402	2,317	23,762	2,439	29,319	2,802	34,460	
Percent increase compared to 1982			28.1	45.1	28.9	55.2	30.4	68.1	34.9	80.0

Note: The above does not include apportionments for Public Lands, Forest Highways, Truck Demos and Railroad Demos.

Senator SYMMS. Thank you very much, Ray, for an excellent statement. I think you make a good point. I think most of us benefit in some way from use of the interstate. You certainly make a good point on the local funding and the percentage of it. I think that's something we need to look at to see what can be done to get more money for the local roads and streets.

Roy Bodine, chairman of the Post Falls Highway District Board.

STATEMENT OF ROY BODINE, CHAIRMAN, POST FALLS HIGHWAY DISTRICT BOARD

Mr. BODINE. Thank you, Mr. Chairman. My remarks will primarily pertain to northern Idaho, not to the funding program as a whole.

I am Roy Bodine, chairman of the Post Falls Highway District Board. Since 1948, when I became a highway district commissioner, tremendous changes have taken place in the highway and street systems of Idaho, in most cases, I believe, for the betterment of the traveling public.

Through my association with some very qualified people, I believe, I have developed a knowledge of local highway needs.

It is apparent to me that because Idaho is such a sparsely populated State, funds cannot be accrued to meet highway needs. The restraints passed by the Idaho Legislature has made it extremely difficult for local units of government. Idaho's local units of government have the same problem with State government as the Idaho State government has with the Federal Government.

While 80 percent of the road miles in Idaho are in the local system, the lion's share of all funds go for construction and maintenance of the State system of highways. Many maintenance costs are basic; the same whether a road or highway has 20 cars or 20,000 cars. Drainage is a prime example, control of vegetation another, and in fact, to some extent, all maintenance.

Speeds on highways should be established by traffic engineering studies to determine safe speeds. The traveling public should not be forced to obey unrealistic speed limits which they do not believe in. Incentives should be given for compliance with the speed regulations not penalties for noncompliance.

I believe highway users fees are a dedicated fund and should not be diverted. Additionally, I do not believe an eastern Congressman should have the authority to prevent dispersal of Federal highway funds in an effort to get his pet project funded.

While northern Idaho is not always recognized as having agricultural importance, this is not true. There is significant agriculture in northern Idaho. Well-maintained secondary roads and new FAS projects are necessary for transportation of timber and agricultural products. Of great importance to me is my belief that no business or manufacturing plants are located directly on the Interstate System, with a few on the State primary system. You will, by and large, find these places of business located on local roads and streets.

The backbone or the bread and butter of northern Idaho economy has always been timber, mining, and agriculture. Efforts must be made to sustain these vital segments of our economy. Rather than less funding, as suggested, for FAS and urban projects, we must have a greater share. In order for northern Idaho to gain lost ground, funding for local projects must be increased from the present ratio. I believe it is imperative that if northern Idaho is to become economically self-sufficient, the present 95-percent funding must be retained.

Completion of the Interstate Highway System has to be the No. 1 priority, which is vital to many aspects of our economy and defense.

The transportation system of Federal, State, and local highways must, through necessity, depend on each other. Administration and jurisdiction, however, should be divided. Federal Government should be responsible for the interstate, the State for the primary system and maintenance of the interstate. Local roads should be administered by local units of government. Local administration should be allowed to prepare their own set of road design standards.

I recognize Idaho has a plus ratio from the highway users funding formula. However, I do not believe the local share is equitable.

I have concerns as to whether the proposed Block Grant Program can be administered without too much red tape. If safeguards can be provided to protect the grants—from the red tape—I believe they have merit.

I appreciate the opportunity to provide testimony and sincerely hope it will be beneficial.

Thank you.

Senator SYMMS. Thank you very much, Roy. At this point in the record I'd like to insert a letter from the mayor of Post Falls which is pertinent to the testimony we have just had.

[The letter referred to follows:]

City of Post Falls,
Post Falls, ID, September 26, 1985.

Senator Symms and Committee Members: I am sorry I cannot be with you today as I am in Boise at an Association of Idaho Cities legislative committee meeting. This meeting is dealing with some of the same situations you are facing today; namely, the loss of Federal Revenue Sharing monies and the problems that this loss places on cities and counties in our state and nation. Because of this loss, cities will be scrambling to find funding elsewhere and we all know the difficulty in that. This is why the 95% funding is so important to us. Economic development is the end product of this and that is something that is much needed in our area. The 5% local share, is, many times, not that easily attainable.

The City of Post Falls would like to go on record urging this Committee to continue Federal Funding for urban and secondary road programs. We know the impotance of secondary roads in our area; with those roads being used to provide for the exchange of goods and services, whether it be for farming, logging, tourism, recreation, or on regular day-to-day business.

For years our City has had an excellent working relationship with the Post Falls Highway District, which in turn has resulted in cost savings not only to us, but to the district as well. We also ask you to encourage other cities and towns to cooperate with their highway districts and highway departments to make those Federal, State and local road dollars go as far as possible.

Thank you for your time and I apperciate the opportunity to present this to you.

Very truly yours.

Kent Helmer,
Mayor, Post Falls.

Senator **Symms**. Now, we want to hear from Darrel Kerby, county commissioner of Nez Perce County. Darrell, welcome to Coeur d'Alene.

STATEMENT OF DARRELL C. KERBY, NEZ PERCE COUNTY COMMISSIONER

Mr. **Kerby**. Thank you. I really appreciate being here. I might say that I am not going to say a whole lot that hasn't already been said.

I am pleased to have an opportunity to offer testimony to your committee relative to the reauthorization of the Federal Aid Highway Program.

I have been a county commissioner in Nez Perce County, ID, for the past 5 years and have had a special interest in local roads. I am a farmer and live in the rural area of Nez Perce County.

Our local roads and bridges are with few exceptions built to withstand traffic volumes and loads that prevailed 40 to 50 years ago. During my tenure as a commissioner we have used all of our available money just to maintain our roads and bridges in their existing antiquated forms.

In order to accomplish appreciable long term improvement, we must have a larger percentage of the Federal Road Tax money directed toward improving local roads and bridges.

Not only do we need to have a greater percentage of the funds directed toward improving local roads we need some system which make these funds available without too many required acrobatics.

I was appointed as a commissioner in September 1980 and have been elected twice since then. I am currently resigning my position in order to pay more attention to my personal affairs. At the time of my appointment, Nez Perce County was involved in a request for a F.A.S. highway project which they has been working on for several years previous. I was told that with a little work and push that this first phase of our project could commence construction by the following June. Here we are, 5 years later, hoping to start this project this coming June.

Our project is the first phase—eight-tenths of a mile—of an 11.2-mile route that was targeted for Federal Aid Secondary Funds in November 1976.

This eight-tenths of a mile is estimated to cost approximately $1 million. Based on the estimated cost of this first phase, it will take somewhere in the neighborhood of $10 million to complet the 11.2 mile stretch of road. Based upon our accumulation rate of F.A.S. moneys using a 95 to 5 match ratio, at the rate of $100,000 per year of F.A.S. moneys allocated to our county, we could complet this 11.2-mile stretch in just 95 years. All but about 60 miles of our 500 miles of road need long-term improvement.

On September 9, 1976, the board of commissioners of Nez Perce County engaged a local P.E. to look into the availability of Federal aid secondary funds. He was retained to do an environmental impact study on this 11.2-mile route and was also retained to do the preliminary design for the route. To date Nez Perce County has paid this person, just short of $260,000. This amount of money is backed up by contracts and change orders to contracts. We haven't yet turned a shovel.

I am saying that we need to take action that will result in more reasonable percentage of the available F.A.S. moneys going into the construction of roads, rather than being sucked up by all of the administrative sponges lurking on the perimeter of our projects.

I am also saying that the money should be made available to local road districts and units of government as soon as practicable after its collection. Road money sitting around waiting for something to happen does not timely effect improvements.

I don't like the way our money is allocated to us by the State. I believe all of our local road districts have dire needs for F.A.S. moneys and that these moneys should be distributed on a formula similar to the revenue sharing formula. Possibly one based on miles of road and population.

If we can't cut down on the expenditure of funds for overhead we should probably take a totally new approach to the application of Federal Funds to local roads.

I just want to say in closing that we had an occasion this year within our country to redo 2 miles of road. It was a stretch of road that was costing us a lot of money to maintain. It didn't have a proper base. We felt if we waited for some kind of a Federal-aid project it would be forever doing it. We pitched in lots of clay, lots of boils up through the road. We totally tore up the road. We put in 1½ feet of 6-inch minus base rock for a road base, 8 inches of ¾ minus on top of that compacted with a 3-inch compacted mat of asphalt on top of that. We did the 2 miles of road for $267,000 and did it with our own local forcing contractors and whatever money we could scrounge locally. And it's a good road. I'm sure that it would meet all the required things that a road needs to do.

I think that we are overlooking a lot of expertise that we have available with people that are doing things. If they're building roads, contractors, et cetera, we should not have to put out the money for engineering that we are presently putting out for fairly simple road projects. Let's put the money where it's needed, in the road.

Thank you, sir.

Senator SYMMS. Thank you very much for a good statement. Now we hear from Bill Jones, the County Commissioner from Teton County in Montana. Bill, welcome to Idaho. Where is Teton County?

Mr. JONES. Teton County is across the Divide, Senator, east of the Divide.

Senator SYMMS. In the Missoula area?

Mr. JONES. Beyond there. Beyond Missoula.

Senator SYMMS. What's your county seat?

STATEMENT OF W.R. JONES, COUNTY COMMISSIONER, TETON COUNTY, MT

Mr. JONES. Choteau is the county seat. Thank you for those comments, for that little inquiry there, because that gives me a chance to kind of tell you where we really are coming from. I'd like to also comment that we got across that Divide, and sometimes as we do with people coming out of North Dakota that make some disparaging remarks about all the things that they do or they don't do. Thank you for not picking on me that way.

I am County Commissioner Jones from Teton County, MT. Thank you, Senator, very much, for allowing me to present a mini-view of the rural road responsibility of local government. Thank you for making it possible for Western people, such as myself, who are responsible for providing and maintaining the beginning link in the transportation system of inland America, to talk to the U.S. Senate.

I really don't represent a large or typically pretentious group or organization but I am involved along with many in local government who are charged with the responsibility of making it possible for rural America to get to town for school, for health, for church, for sociability, for the necessities of life—maybe just to get to town to get on a bigger and better road to get to the city—Allow me to use some figures for the State of Montana which the Governor used recently when stating the infrastructure conditions of our State. He said Montana has 78,000 miles of road, of which 8,000 miles are the responsibility of the State highway department. This leaves 70,000 miles for local government to grade, to bridge, to drain, to sign, to snowplow, to cut and spray weeds and whatever else may need to be done. Funds to carry on these many activities must come largely from property taxes—and thanks to you, Senator Symms, payment in lieu of taxes funds for those counties with Federal lands. With this tremendous mileage of roads to be serviced by local government the road budget usually represents half or more of a counties total expenditures. You certainly see the need for increased proportions of Federal funds being allocated to these rural life lines. Especially in the less populous rural areas where several miles of road may serve only one or two residents, the burden becomes very heavy and the road usually becomes nearly or factually primitive.

Another striking reality which is literally showing up on the rural horizon is the towering grain loading terminals. At railheads or along rail lines these 52 hopper car terminals are being built by grain companies, farmer coops, or merchandisers. Terminals at the railheads, but the rural rail road has abandoned and removed. How does the grain to fill the terminals get there? By truck—over rural road—by heavily loaded trucks over roads built for moderate or light traffic. The concept of truck transportation to the terminals is an accomplished fact. The roads to carry the trucks are rapidly deteriorating, especially the early Federal aid secondary roads which are considered "major collectors" are being literally pounded out by loads for which they were not intended. Rebuilding these roads with current county funds is in many cases a budget busting effort.

Please allow me to illustrate how devastating a renewal project for a rural paved road can be. This project came about because the road had deteriorated, in spite of routine maintenance, to a point beyond ordinary hand patching or even blade patching. The county commissioners, after considerable review and investigation which included substantial and invaluable help from the Rural Technical Assistance Program, and the MSU engineering summer intern whom the RTA arranged, decided to rebuild 7.9 miles of this road—incidentally 7 miles is a little less than 6 percent of the 120 miles of black top road in the county. The least cost method available was to use a cold mix in place recycling procedure. A contract was left for grinding the present asphalt surface into a three-quarters inch minus material and mixing it with the base material to a depth of 3 or 4 inches. To this 1 or 2 gallons of asphalt is incorporated into each square yard and laid back on the road base. Finally it is rolled and chip sealed. The road produced is a great improvement and will no doubt serve well for several years—but now read the bottom line. The total cost of this 7.9 miles was $179,780.96—a reasonable sum which in the mind of road builders would be just a drop in the bucket, but this sum lifted from a county road budget of $682,000 equals 26 percent of the total funds from all sources which is budgeted for roads,—26 percent of the budget for 0.53 percent of the mileage. This very lopsided equation tells me, and you, that in order to provide some semblance of a quality rural road system, far more emphasis must be placed on sustaining these life lines. The foregoing illustration points out the local government emphasis and committment to the concept of providing its citizens with a "way to town"—we ask you to help in a substantial way to assist in this gargantuan effort.

The county map which is included in the testimony material [1] shows the overwhelming preponderance of roads for which the county is responsible. The "red and green" marked roads are the minor and major collectors—they are the county's responsibility—they total 1,400 miles. The "black" roads are the responsibility of the State and Federal Governments—they total 96 miles. Counties have maximum responsibility but must operate with minimum funds. There are about 94 miles of county roads to every 6 miles of State and Federal roads. The funding for construction and maintainence on the other hand is nearly reversed—about 10 percent to local systems and about 90 percent to State and Federal systems. Our plea is not that Federal Government spend more money on roads—just that the Federal funding be adjusted to reflect the amount of roads to be serviced.

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[1] The map referred to has been retained in committee files.

Thank you, Senator Symms, for conducting this field hearing. We hope that your findings here in Coeur d'Alene will be well received in Washington.

Senator SYMMS. Thank you very much, all of you. Ray, you made some comments that would seem to support a fuel tax turnback. If the Federal Government, for example, would take 2 cents of the fuel tax and turn it over to the States, would you support some kind of a proposal or is this the kind of proposal you're talking about or what do you mean?

Mr. OLIVER. Two cents of the Federal?

Senator SYMMS. Right. Back to the local? You said that if the Federal Government would eliminate, say, 2 cents of the fuel tax in order for the States to increase their fuel tax. Would you support this proposal or do we have a tax base to make up the difference?

Mr. OLIVER. We don't have it. With our economic situation in Idaho now it's difficult to go to our legislatures and ask to have them put on more tax on fuel to meet our local needs and all.

Senator SYMMS. You make a pretty convincing case, all of you, that we ought to be taking a little more money and put it in where all the miles are is what you're saying.

Mr. OLIVER. Right.

Senator SYMMS. So that's essentially the thrust of the position of all four of you. Is it the most of the miles you get and the least amount of money?

Mr. OLIVER. Right. And when it comes to noxious weed control on the roads, it costs us just as much to keep the weeds down as it does a Federal road. And snow removal. You have a rancher that lives out here 40, 80 miles, out in the middle of nowhere. We still have to keep the roads snow removed to run the school buses and so forth. We still have to conform to the Uniform Traffic Manual, but we have to place signs along the roads. The Feds came along a few years ago and said OK, all those old signs you have out there, the 24-inch ones are obsolete and you've got to replace them with new signs. Can you imagine how many millions of miles we have across the country and how much money that cost us to go and replace those stop signs and all just to conform to some eastern standards? It's ridiculous, but with the tort claims, that's the other thing that hasn't been discussed, we're saying at the local level our insurance for liability has doubled and tripled just this last year. And I think it was mentioned in Boise by the loggers and all and the truckers that they'd like to have a senatorial investigation into why we're seeing all these high interest rates all of a sudden. And it's not just applicable to local units of government. You're saying with the loggers and truckers and everybody and all. I sometimes suspect that there's maybe some insurance collusion there.

Senator SYMMS. Thank you all very much. I appreciate your testimony. Now what we're going to do is insert into our witness list a couple of witnesses from the public that have got some other things they want to do today. What's your name again?

Mr. KELLNER. Neal Kellner.

Senator SYMMS. OK, Neal. We're glad to hear from you.

STATEMENT OF NEAL KELLNER

Mr. KELLNER. Senator, I'm here today representing a local group of people who are concerned about the proposed transportation of nuclear wastes on Interstate 90 and also on the Burlington Northern main line through North Idaho. This proposed transportation is the result, of course, of the 1980 Federal-aid mandated decision that they're going to create a nuclear waste repository for the waste generated from nuclear power reactors. Specifically the Department of Energy has announced plans to ship over 142,000 metric tons of high level nuclear waste to Hanford on Interstate 90 and the Burlington Northern main line if Hanford is chosen as our nuclear waste repository, which as it looks at the moment is the most favorable site. If this material is shipped, the Department of Energy states an acceptable number of radioactivity-induced cancer deaths will occur among those people living or working within 0.6 of a mile of Interstate 90 and the Burlington Northern main line throughout the lane of traffic and the road where this material will be shipped.

In essence what they're talking about creating are nuclear corridors, nuclear waste corridors.

Senator SYMMS. What was the figure you said about increased cancer?

Mr. KELLNER. They described it as an acceptable number of increased cancer deaths.

Senator SYMMS. Of course you realize those things are shipped in lead containers.

Mr. KELLNER. They're shipped in more than lead containers. They're shipped in containers that have an unbelievable amount of weight due to shielding. But even so, all these containers leak and the Department of Energy does not deny that. They leak right through the sides. And due to concern, I might mention in criticism they have been using these very containers shipping materials within the United States already from one nuclear reactor to another as the pools fill in the East at reactor sites, and they have had numerous problems with leakage to the extent where they haven't even been able to unload these things for 2 weeks after they've been moved because it took that long to clean up the outside of the truck. They tried covering them with plastic, having cars following these trucks down the highway. When the plastic tears off, men in suits jump out and tape it up, put some more plastic on it and the thing goes on to its destination.

Because of all the problems with these transport carriers, the DOE has recently stated that what they're going to do is as they transport these things, though, they're admitting because of the distances involved they can become so contaminated and radiated that they're going to bury the containers in a separate land fill at Hanford or wherever they ship to. They will not even try to reuse them.

There's no question that these things are radiating people when they go by, and again the DOE does not deny that.

Senator **Symms**. Well, I think there's a question of it, but go ahead. I'm glad to hear your statement.

Mr. **Kellner**. Well, I strongly suggest that you investigate this in detail, sir. Do you, as our State Senator, support this Department of Energy plan, which I, by personal description, describe as a premeditated murder of an acceptable number of men, women, and children in North Idaho, and if, as I hope you do not, what are you going to do to stop Hanford from becoming a waste dump so that this waste, 85 percent which is generated east of the Mississippi, will not be shipped through Idaho at all? That's the first question I have.

Senator **Symms**. Well, of course, I don't support premeditated murder. That's an outrageous question in the first place. We're very sensitive to this problem and I can assure you the public health is going to be very well protected and there's no reason for anybody in this room to think that anybody is going to get radiated by trucks driving by the road or by trains.

Mr. **Sheroke**. By their own admission they're saying that will occur. The DOE has stated this. And they further stated people will die.

Senator **Symms**. I think it's true that everybody in this room is going to die, too.

Mr. **Kellner**. No, but they're going to die early. What is the difference, sir, if I as a person or a corporation in this country or in this State creates an environmental hazard that kills people. Is it not a fact that there is a law against that in this country?

Senator **Symms**. There is. Go ahead. Make your statement.

Mr. **Kellner**. One of the things I'm also asking you to do, Senator, is to sponsor a special task force or committee to investigate the hazards of transporting this waste so it can be brought to the public's attention and into public discussion. Specifically this Senate and the Congress in general has a responsibility here to do this I feel because they have made the decision that these waste repositories are going to be used, and if they're going to be used that requires a transportation of the waste. If they're all transported by truck, you're talking about 175,000 semitruck loads. And probably they have been according to the DOE bouncing back and forth, it's going to be a combination by truck and train. They're talking about transporting this over 24 hours a day for 20 years. This must be brought before the public so we have a chance to be informed and the Congress to be informed so we can make intelligent decisions. The transportation of the waste was not addressed in the act that has created the need for these repositories.

Further I ask do you believe that we can justify spending Federal Highway Funds to complete I-90 in North Idaho at this time solely to allow shipment of nuclear waste?

Senator **Symms**. No, I don't. But there are other uses for the road. Senator Simpson from Wyoming chairs the Nuclear Regulation Subcommittee and he works closely with the Energy Committee chaired by Senator McClure who shares an interest in that subject. Hearings are scheduled on this subject early in October, I believe in the Senate Environment and Public Works Committee. Now, can I hear from you Chuck?

STATEMENT OF CHUCK SHEROKE

Mr. **Sheroke**. My name is Chuck Sheroke. I live in Coeur d'Alene. My feeling is that the public interest is not being protected, that I live within 0.6 of a mile of I-90 and that as a result, according to the DOE's own admissions, my chances of contracting cancer will be substantially increased. And because of that I oppose the expenditure of additional Federal moneys to upgrade Interstate I-90.

My opposition is based on the fact that nuclear wastes will more likely than not be transported through Coeur d'Alene should this highway corridor be imporved. According to the mayor of this town, he was told at a conference that nuclear waste would not be transported through I-90 until the renovations occur putting it up to Interstate highway specifications. I think if you would ask the people of North Idaho and really were concerned with the State's rights and the individual's rights, the local individual's rights, I think that you would find that most of the people when confronted with a choice between a highway renovation, Interstate renovation, or the transportation of nuclear waste, that they would rather have the existing highway remain as it is and not be renovated and allow the transportation of nuclear wastes.

Senator **Symms**. Thank you very much. I appreciate hearing from you. I don't have any further questions for these two witnesses so we will hear next from Mrs. T.J. Thrasher and then from Tom Callaghan.

STATEMENT OF T.J. THRASHER, VICE CHAIRMAN, HIGHWAY USERS FEDERATION OF ALASKA

Ms. **Thrasher**. Thank you very much, Chairman Symms. For the record I am T.J. Thrasher from Anchorage, AK. I serve on the chair of the Alaska Highway Federation. My remarks today then are offered on behalf of the Alaska Highway Users Group and I would like, if you would, I have submitted written testimony and I'd like that to be included into the record if you would, please.

Senator **Symms**. Without objection your entire statement will be part of the record. I want to join in thanking you and the rest of the Highway Users Federation for your efforts to help us pass a clean ICE this year and for making this hearing a success.

Ms. **Thrasher**. Thank you. I'll be very, very brief today. I know there are several people wanting to testify. What I want to leave with you today is that we in Alaska support and encourage the continuation of the present allocation of funds for the apportionment formula. This is vital to Alaska. And Alaska, as many of the other Western States, has a large area to cover and we have very small populations. I'd like you to look into the needs to justify excusing certain highway users from paying their fair share of the taxes, and of course the most serious exemption for user tax is for gasohol. We'd like to end the disadvantaged business enterprise program and that if it is a public policy to assist in these types of programs, we believe that should be undertaken by all Americans through the general fund.

Those are the two comments I'd like to leave today, sir, as well as my entire written statement. Thank you very much.

Senator **Symms**. Thank you very much. We appreciate hearing from you, Tom.

Mr. **Callaghan**. Thank you, sir.

Senator **Symms**. You're a long ways from home. We're glad to have you in Idaho. Tom Callighan is the executive director for the Alliance for Simple, Equitable, and Rational Truck Taxation.

STATEMENT OF THOMAS A. CALLAGHAN, JR., ALLIANCE FOR SIMPLE, EQUITABLE, AND RATIONAL TRUCK TAXATION

Mr. **Callaghan**. We are an organization of trucking companies, truck leasing companies and suppliers to the trucking industry who have joined together to work for a more sensible system of truck taxation and highway finance. We appreciate this opportunity to be with you. As you know, we testified in Washington on some of the broad aspects of the highway program and its complexity. And I think the testimony that we've just heard all morning indicates the complexity of the program that you have to work with. I'd like to take this opportunity to get a little bit more specific about some of our recommendations for the future.

As you pointed out in your opening statement, the highway system is one of the few things that the Government does which is paid for by the immediate beneficiary, the highway user. Unfortunately the highway user is not getting the dollar value for the dollar paid. The full paying highway user pays for his own share of highway use, plus he pays for the share of those people who have been exempted from some or all highway taxes. He pays for his own share of highway use plus enough to be diverted to mass transit. And finally, he pays for his own share of highway use plus enough to underwrite certain social and economic policy initiatives like the Disadvantaged Business Program, the Davis-Bacon Act, and the Buy American Program. I think the time has come in the highway program to restore some rationality and some basic integrity to the principles of it.

Along those lines I'd like to recommend to you and to the committee a six-point program. The first point is that we should end all exemptions. If you sue the highways, you should pay. There should be no exemptions.

Second, the people who pay the money, that money should go into the highways. There should be no diversion. We should end the mass transit subsidy.

Third, we should stop trying to make social policy with the highway user revenue. The Disadvantaged Business Enterprise Program, the Bacon Act, the Buy American Program all may be very legitimate Government initiatives, and if they are they should be paid by all Americans through the general fund. They should not be laid off and made the responsibility of highway users.

Fourth, there should be a general revenue appropriation to supplement the Highway Trust Fund. Our highway system is a national asset. It has defense attributes. It binds the country together. It's essential for the movement of the Congress. There should be a general revenue appropriation to reflect that value to the country as a whole.

Fifth, we should end the 12-percent excise tax on the purchase price of a truck. That's a very high ticket item. A $60,000 truck, you're going to pay a $7,500 excise tax. The tax is totally unrelated to highway use. You pay it if you buy the truck and park it, and you pay it if you buy the truck and run it 200,000 miles.

And last, we should reexamine the findings of the Federal highway cost allowance study. Maybe that study is correct, but we should find out once and for all and use some of that money, the State highway officials want for long-term research, to revisit those findings.

Now, in recent days we've heard that existing taxes feeding the Highway Trust Fund are not producing the kind of revenue that we need. Accordingly, we are giving consideration to cutting programs, in other words putting less money in cement and asphalt. I think there is an alternative. Clearly the needs are there. The State highway people say we need $22 billion a year at the Federal level. We are considering $13 billion a year, so the needs are there. What we have to do is cut the exemptions, cut the diversions, and run the program like it should be run.

Thank you very much for the opportunity to be with you.

Senator SYMMS. Tom, thank you very much for an excellent statement. Those six points of recommendation I think are very commendable and we certainly should look into them. I agree with you with respect to the excise tax. It certainly is an unfair situation, particularly for a logger who runs his truck on a logging road and there have been some compensations made but certainly not enough to offset the fact that the loggers in many cases don't get on the Interstate or the road system but they have to pay that tax for whatever use of the truck.

What do you think is the biggest problem truckers face today as they use the Federal-aid highway system?

Mr. CALLAGHAN. I think one of the biggest problems is the lack of uniformity among State taxing systems. A trucker who will go from Maine to California may go through 30 jurisdictions. And the paper work that he has to put up with in order to pay for the use of the highways and to get properly licensed, stickered, and decaled is incredible. I recently took a cross-country trip with an owner-operator and I saw the amount of paper work he had to carry. They stopped him at the port of entry systems in Arizona and New Mexico, and there just has to be a more streamlined way for the American trucker to serve the 48 contiguous States.

Senator SYMMS. Uniformity not only in taxation but also uniformity in a permit system in general?

Mr. CALLAGHAN. That's correct.

Senator SYMMS. I know that's one of the goals of the Federal Highway Administrator also.

Mr. CALLAGHAN. Yes. Equally important with the uniformity is making sure we get dollar value for dollar paid. I think when we exempt people when we divert revenue, we're not getting dollar value for dollar paid.

Senator SYMMS. That's a very good point. In your opinion are the roads in the Western States adequate enough to handle the surface transportation authorized trucks that we allow and what additional work should be done to access those routes for large vehicles?

Mr. **Callaghan**. I can't give you a lot of information on that. I traveled through the Southwest by truck. I'm not as familiar as I'd like to be with the road systems up here in the Northwest. I can tell you taking that truck trip was a marvelous experience and I highly recommend it, to Members of the Senate, to the staff, and to anybody. I think one of the most telling experiences I had was to sit in a 1-mile-long line at the point of entry in Arizona waiting to pay a permit to go through that State, and right adjacent to that highway is a railroad track, and the Burlington Northern & Santa Fe were running these cars right through. The trucking industry competes with those railroads. If we're going to be hamstrung at ports of entry, waiting to pay a particular fee, file a particular piece of paper, get the particular license, sticker and decal, we're destroying the competitive balance between the two modes, and that's not what we want to do.

Senator **Symms**. Truckers are high tax rate payers and railroads are low tax payers, too.

Mr. **Callaghan**. That's what the record indicates.

Senator **Symms**. That is a fact. Thank you very much. We appreciate your testimony.

Mr. **Callaghan**. Thank you very much.

Senator **Symms**. Next is Harold West. Harold, we're glad to have you here and thank you for all your efforts on behalf of Idaho's highways and highways in the Northwest in general. You've been a great promoter of good roads and we do appreciate you.

STATEMENT OF HAROLD WEST, IDAHO HIGHWAY USERS CONFERENCE

Mr. **West**. Thank you, Senator. I may say to begin with, the highway users not only of Idaho but of the six-State region that we just concluded their conference appreciate your effort on behalf of transportation. There haven't been too many Senators in the U.S. Congress from the West who had as their vital interest—as their No. 1 priority—transportation matters. We appreciate your efforts.

Senator **Symms**. Thank you.

Mr. **West**. Our statement has been submitted to you. Most of the things that we have to say have already been said and I'd like to draw them out. We do mention in here that our No. 1 priority, I believe, was to get a clean and unencumbered ICE cost estimate or ICE bill through the Congress. We don't mean clean ice to skate on. We clean ICE without the amendments that have occurred in the past.

Another thing that hasn't been talked about too much here is what's happening in Idaho in reference to railroad abandonments. We did talk about it in our Highway Users Conference. It seems a prominent thing in the Western States, specifically the Northwest particularly, that the railroad abandonment is happening throughout this area. It's certainly happening in Idaho. And that's putting more pressure on the roads. We were somewhat amazed and surprised to read in the last issue of Transportation News that a private survey done by the Transportation Policy Associates of a Washington, DC-based firm specializing in study of the movement of traffic or the movement of commodities indicated that TPA studies indicate in the last 4 years that the trucks' share of moving the total freight has increased from 72.8 percent to 85.9 percent in this 4-year period. And I think that we would be safe in saying that due to railroad abandonment and others, that this in Idaho is probably a greater figure than that.

To give just a quick illustration of what it means, I in my other walk of life, besides being a highway user, I represent the Idaho Bean Industry. We produce about 3 million bags of dry beans in Idaho. We have to transport all of them out of the State for consumer use. If you took the 3 million bags, hauled them by rail, it would take 7 carloads every day to haul those 4 million bags of beans out of Idaho. If you convert to truck, which we're fast doing, abandoning the railroads, it takes 21 trucks every day just to haul 4 million bags of beans out of Idaho, and 4 million bags of beans compared to what we haul out of Idaho is "peanuts." We haul 90 million bags of potatoes. We haul 80 to 90 million bushels of wheat. And if we have to start hauling it all on trucks and that pressure is put on the system throughout, it's a fantastic pressure that we really don't need.

Senator SYMMS. On that point, the Idaho Highway Users did a study here recently, and the importance of the north-south highway to the Port of Lewiston was rather significant, I think. Do you want to comment on that?

Mr. WEST. Yes, Senator, it is. The best example I can give is that the Port of Lewiston has made it possible for the agriculture, mining, and timber industries in the State to have a rate that is a competitive rate with the rail, so that the farmer, the lumberman and whatnot is in a competitive position because he has a competitive mode of transportation. In the southern part of the State, without an access to that port, we can't have a competitive proposition. We have a monopolistic railroad system. We only have one railroad running through the southern part of the State. The rates, for example, in the same ton mile of haul from Lewiston versus Ashton, ID, there is almost a 50-percent difference in the rate of ton mile haul between the rates of Ashton and Lewiston, ID.

Senator SYMMS. The railroad rates?

Mr. WEST. Yes.

Senator SYMMS. Because of the competition?

Mr. WEST. Exactly. So it's very vital that we have that 95 connector to the port which does allow a competitive access to our markets in the foreign countries and to the west coast.

One other concluding statement in respect to your suggestion about lifting the 55-mile speed limit, we certainly applaud that. We think that in Idaho and especially the desert areas of south Idaho, as we move trucks and move our commodities, which our markets are California, Arizona, the Southern States, and we travel across those vast distances of southern Idaho, Nevada, Utah to get to the Los Angeles area, that 55-mile-an-hour speed limit is a little bit ridiculous.

SENATOR SYMMS. Well, I'm delighted to have your testimony. I wanted to say that the clean ICE that the highway users here in Idaho worked so hard to get passed the Senate in July and the House last week is supposed to be signed by the President any day now, I suppose over the weekend, so we thank you very much for your efforts on that. We also thank you for your efforts to make the conference that was held here this week from all of the surrounding States a success. The conference focused attention on the necessity of good roads for the success of our economic future in the Pacific Northwest, because without good roads we're dead in the water, and I do believe that.

Mr. **West**. Thank you, Senator.

Senator **Symms**. Thank you, Harold. Now, go ahead. What's your name?

STATEMENT OF PATRICK HALSTEAD, WASHINGTON HIGHWAY USERS FEDERATION

Mr. **Halstead**. My name is Patrick Halstead for the record, and I'm a member of the board of the Washington Highway Users Federation. Those who have seen the statement which is in the back of the room notice that there is a blank space presented by Bill Roberts who had hoped to be here on behalf of the highway users.

Since much of what I would say would be echoing the statements that have already been made by my counterparts in Alaska and Idaho, I would simply say a word or two about the process of developing our statement in our States. It is an ongoing process by a very active and very diverse group of people as is given some force in fact by the revelation that I have, for example, which is the railroads. The railroads have been taking a little abuse in the last few months, but at least in our State there is a recognition, I guess, as is given some example by my participation in this that the good roads are important indeed to all industries in our portion of the State. So a long process of hammering this statement out with such diverse groups as Triple A, the truckers, the railroads, bus companies, transit representatives and others produced the statement you have before you. I will not attempt to read it. I trust it's entered into the record and the fact that it closely follows some of the statements that have been made already by Duane Berentson, our secretary of transportation, and the statement made by Ernie Geissler already suffice, I think, to give you the needed input from our State. And you will find many statements there, as I have indicated, that seem to have found considerable support on other groups and that have testified here today.

With that I will ask your indulgence on one other point to give a brief statement on behalf of the railroads with regard to the Transportation Act. The points are three. They can be made in probably less than a minute. We strongly support the continuation of the crossing program, the 203 section program. It is a relatively modest amount of the Transportation Act in total dollars. Certainly it's not small change, but in terms of the total act, it's a relatively small part that has yielded big dividends in highway safety at railroad crossings, and we urge its continuation and its continued funding.

The second point is that program is now in about its 15th year, and we would urge that perhaps there is time as we prepare for future congressional legislation to take a look at studying the entire matter of crossing safety and what might be done in the future with regard to crossing safety and the Federal participation in the program.

And lastly, the information which we and the States have to develop to prioritize crossing improvements has in recent years been used against us and against the States, if you will, in tort liability cases. We would urge that there be some consideration given, favorable consideration by Congress making the information that is developed in rating these crossings to determine, to prioritize them, to determine which should be prepared and how they should be upgraded, that this information not be used in that fashion and that it be in some fashion protected from its use in that type of litigation and in the Federal and State courts.

I thank you very much for the opportunity to appear on the behalf of the Washington Users Federation and the Washington Railroad Association.

Senator SYMMS. Thank you very much. Your entire statement will be in the record.

I do have one question I want to ask you before you get away. We have a problem here in north Idaho with a lot of competition from Canadian timber and transportation becomes a very important part of it, both truck transportation and railroad transportation, because of costs. I am told that one of our mills in Princeton, ID, actually has to truck lumber to Lewiston, ID, to put it on the Union Pacific Railroad and they pay $8 a thousand to truck it to Lewiston to load on Union Pacific, because they get a better freight rate than Burlington Northern would give them to go to the same checkpoints in the East. There is a tremendous resentment on the part of some of the small mills here over the contract rates that are given the bigger mills. The Canadians are getting a better freight rate loading at one point in Washington State on Burlington Northern and one point in Montana by having a cooperative system where they can contract thousands of cars at a time, than some of the Idaho, Washington, Montana, and Oregon mills are getting. Is there any relief in sight on that? Is there anything that can be done to rationalize the freight rates so that there is more equity to these shippers?

Mr. HALSTEAD. Well, in the interest of time, I can only tell you Congress in its reconsideration of the Staggers Act regulating the railroads and the justifiable anticipation of the industry and any revision of that act, I think it will have a more sensitizing effect on some of the railroads at least. I would not want to venture to guess what the Burlington Northern-UP competition will yield in this instance, but I can tell you that I will carry your remarks back to them and that they are not unaware of concern about the contract rate question. But being big corporate entities that they are, sometimes it takes a while to move.

Senator SYMMS. We're very concernd about that because we have a real problem with jobs in sawmills in this part of the United States, particularly in Idaho, and freight rates become a very significant part of it. It's not practical, I don't think, to ship the lumber on trucks. We just about have to use railroads and yet it's a very difficult situation. I know that they can make the point, but I'd sure appreciate it if they could call on me for anything we can do to try to ease that burden, because $20 a thousand freight rate difference from north Idaho to Boston can make or break a market, and if a Canadian can get a cheaper rate, that just puts us at a further disadvantage, or even a different company can get a cheaper rate. It's a significant point. I think deregulation generally is a helpful thing, but if we start getting into that, it's just an open invitation for reregulation of the railroads. There is no other way that the Congress will be able to view it, because we have to have fairness and equity.

Mr. HALSTEAD. As you have stated, deregulation is an involving process and I don't think we have seen the last fine tuning of it. Thank you.

Senator SYMMS. We thank you very much for your cooperation and your willingness to work with us on that and your testimony.

Dean Haagenson asked unanimous consent to insert his remarks in the record.

Senator SYMMS. Brian Simms, vice chairman of the statewide highway committee, Associated General Contractors of America. Welcome to the committee. Who is accompanying you?

Mr. SIMMS. Mr. Chairman, with me today is Monty Gieger of the local chapter.

Senator SYMMS. Monty, welcome.

STATEMENT OF BRIAN SIMMS, THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

Mr. SIMMS. I am Brian Simms, a highway contractor from Yakima, WA. I am here today in my capacity as vice chairman of the statewide highway committee of the Associated General Contractors of America chapters in Washington.

We appreciate the opportunity to participate in field hearings like this. The 70 or so AGC highway contractors in Washington employ thousands of workers and perform more than 75 percent of the highway construction volume in the State.

We want to let you know our feelings today on three issues vitally important to our industry: interstate cost estimate procedures, capital investment levels for the Federal-Aid Highway Program and the impacts of disadvantage, business enterprise provisions in the 1982 Surface Transportation Assistance Act.

We were pleased to learn that on July 30 the Senate unanimously passed a "clean," 1-year ICE. AGC feels this is a step in the right direction. However, we strongly advocate a provision for the administrative release of ICE funds if Congress fails to act by October 1 each year. An interruption in the orderly flow of this money has serious repercussions. Valuable construction time is lost during periods of best weather, State and local planning and bidding schedules are delayed, business and community growth along new routes are lost or postponed and finally workers are laid off for lack of work. The impact on hundreds of families in our area is severe.

The American Association of State Highway and Transportation Official's [AASHTO] report, "A New Focus for America's Highways," conservatively estimates needed investment levels of $21 to $23.5 billion annually until 1995. We support this investment, but recognize that it probably does not address adequately the improvements needed on our Federal-aid system. We urge the Congress to consider an immediate increase in highway user fees so that highway trust fund revenues will support the investment. AGC is ready, as it was in 1982, to support such an increase.

In Washington 53 percent of the States paved main roads—arterial and collectors under State, county, and local jurisdictions—need resurfacing. That represents an annual expenditure of $161.3 million. We do not have the money to do that at current funding levels. Such an investment would create and maintain 4,080 jobs, generate $71.6 million in wages, cause construction company capital investment at $70.8 million and generate $18.9 million in taxes and fees back to the State—per year

If Congress does not include a user fee increase in 1986 legislation, we urge an increase in obligation levels supportable by current trust fund revenues. We believe that figure to be $15.5 billion annually through 1990. We are convinced that the current balance and annual revenues to the trust fund will support this investment. We must recognize, however, that this approach only postpones the inevitable need for increased revenue. The American public has demonstrated a willingness to support increased user fees when the need is documented. The economic impact of delayed repair is very costly. Reconstruction is roughly three times more expensive than timely resurfacing.

Section 105(f) of the 1982 Surface Transportation Assistance Act has been administered as a quota program for DBE subcontracting. In December 1984 the national AGC surveyed its highway contractor membership in an effort to determine the impact of the requirements. What follows is a summary of that survey.

QUESTION NO. 1

When the 1982 STAA was enacted, were there sufficient numbers of qualified—that is, possessing expertise and capabilities required to perform highway construction work—minority construction firms in your State to justify a 10-percent minority business participation requirement in your State's Federal-Aid Highway Construction Program?

Yes, 2.5 percent; no, 97.5 percent.

QUESTION NO. 2

If the answer to "1" is "No," what level of minority business participation (other than 10 percent) more accurately reflects that availability of qualified minority construction firms in your State interested in performing on Federal-aid highway construction contracts?

2.8 percent.

QUESTION NO. 3

Have you found qualified minority firms which are not interested in performing work on Federal-aid highway construction projects?

Yes, 44 percent; no, 56 percent.

Most common reasons given for DBE's not being interested in highway work: (1) Project location too far away; (2) don't want to work for State: Paperwork, regulations, redtape, specs (too strict), inspection (too rigorous); (3) too busy; (4) bonding requirements; (5) required union affiliation; (6) getting certified as a DBE too much of a hassle; and (7) don't want to be identified as a "minority" or a "disadvantaged" individual.

QUESTION NO. 4

The STAA and section 105(f) have now been in effect for close to 2 years. What has happened to the availability of minority businesses qualified to work in Federal-aid projects in your State during that period?

Availability has increased 43 percent; availability has decreased 8 percent; and availability has remained about the same 49 percent.

QUESTION NO. 5

In establishing minority business goals on individual construction projects, does your State highway department take into consideration such factors as subcontracting possibilities, current availability of minority firms, the capabilities of those firms, et cetera?

Yes, 34 percent; no, 66 percent.

QUESTION NO. 6

Do you believe section 105(f) has increased costs of federal-aid highway projects?

Yes, 96 percent; no, 4 percent.

QUESTION NO. 7

If your answer to "6" is "Yes," what do you believe the cost impact of section 105(f) to be?

7 percent.

Reasons for cost impact (3 most common): (1) Having to accept DBE quotes when receiving lower quotes from non-DBE's or when able to do the work for less using own forces; (2) expenses associated with soliciting quotes from DBE's, et cetera, increased bidding costs; and (3) increased costs associated with contract performance—financial uncertainties associated with working with unknown, underfinanced or inexperienced DBE's.

QUESTION NO. 8

On their face, do your highway department's specifications allow for the award of contracts to bidders who have failed to meet the contract's minority business goals, but have made best efforts to do so?

Yes, 74 percent; no, 26 percent.

QUESTION NO. 9

If the answer to "No. 8" is "Yes," in practice, do you believe bidders must actually meet or exceed contract goals before they will be awarded the contract?

Yes, 75 percent; no, 25 percent.

QUESTION NO. 10

Is your State using set-asides to supplement its minority business subcontracting requirements?

Eight States in which majority of respondents indicate set-asides are being used. Thirty-seven States in which majority of respondents indicate set-asides are not being used. (Five States with insufficient responses.)

QUESTION NO. 11

In attempting to meet minority business goals on Federal-aid highway projects, have you had to subcontract work to minority business even though nonminority firms have quoted lower prices for the work?

Yes, 86 percent; no. 14 percent.

QUESTION NO. 12

Have you had contracts where minority subcontractors have been unwilling or unable to perform?

Yes, 72 percent; no, 28 percent.

QUESTION NO. 13

Do you personally know of specialty subcontractors who are being, or have been forced out of business because their discipline is one in which minority firms are largely being used to meet contract minority business goals?

Yes, 58 percent; no, 42 percent.

SURVEY CONCLUSIONS

1. Section 105(f) of the 1982 STAA was enacted without an adequate understanding of the availability of DBE frims.
2. Project delays and extra costs have been incurred.
3. The provisions have been administered as a quota program.
4. Many long-established, nonminority specialty contractors are being forced out of business.

Normally a highway construction company performs about 90 percent of a construction project with its own forces. Items usually subcontracted are striping, signing, guardrail, and landscaping. Because most DBE's perform this type of work, many nonminority companies are being forced out of business. Attached to this transcript is a letter we received recently from one of our members who finds himself in this predicament.

The AGC chapters in Washington support the concept of insuring that DBE's have the opportunity to compete fairly in the highway construction market. To that end we began a series of education courses several years ago designed for DBE's providing instruction in basic principles of business organization and concentrating on specific skills needed in the construction industry. Course subjects include: Blueprint reading; estimating and bidding; planning and scheduling work; construction law; job cost accounting; and finance and bonding.

Response to this program has been excellent. We have also entered into a joint operating agreement with a DBE consulting firm and have submitted a proposal for the administration of FHWA's supportive services contract for 1986.

We firmly believe that the goal of increasing DBE participation can be achieved only through a well-planned education program which provides young businesses with the basic tools to compete effectively. Quota programs don't produce lasting positive results.

For these reasons we urge that no DBE quota or goal requirements be contained in 1986 transportation legislation.

1. We support an indefinite extension of the Highway Trust Fund and urge that concentrated planning begin on a postinterstate construction program. Maintaining acceptable serviceability of the federally supported transportation infrastructure will take careful planning. We believe no changes should be made to 4R distribution formulas until the system has been completed, neither should there be a restructuring of the Federal role at this time. We think it makes more sense to complete the interstate and then implement a plan which redistributes 4R funds and redefines the Federal role in a comprehensive postinterstate package.

2. We urge that the gasohol user fee exemption be repealed. All vehicles, regardless of fuel type, create wear and tear on our transportation system and should share equally the burden of system maintenance.

3. Obligation ceilings are a major problem for Washington which has a large portion of the interstate yet to complete. We suggest that interstate completion funds be exempt from obligation ceilings without reducing those ceilings on other program components such as 4R, primary and secondary.

4. We strongly oppose funding substitute transit projects from the highway trust fund.

5. We propose that the Advance Construction Interstate [ACI] Program be expanded to allow Federal participation in the repayment of interest on bonds issued to fund ACI and also to allow the use of interstate discretionary funds on ACI projects.

Mr. Chairman, this concludes my presentation. Thank you for the opportunity to speak. We encourage you to hold field hearings like this as often as practical.

Senator **SYMMS**. Thank you very much. That's an excellent statement. I'm glad to have it. What do you think the capacity of DBE construction firms for doing Federal-aid highway work is in Washington State?

Mr. **SIMMS**. I think from the survey, sir, 2.5 percent.

Senator **SYMMS**. That's in Washington State.

Mr. **SIMMS**. That's in Washington State.

Senator **SYMMS**. So then you disagree with what your Director of Transportation says?

Mr. **SIMMS**. Sir, I have to work with the data. I don't really have a political facet that I have to answer to. If our industry is subsidizing disadvantaged businesses by 10 percent, why not all industries?

Senator **SYMMS**. Well, the sad part of it is, I would like to see us develop some minority businesses. I think that's good for the country. But the problem is if you do it in a shell sham basis, then you really don't do it. It's better to let them gradually develop. As you know, it's a very difficult job to build a highway out here. If you make one mistake on a bid, you may only get one opportunity and then you're bankrupt. So it takes these companies that are really in the road-building business a long time to develop their ability to be able to be a consistent bidder to bid those jobs for the price they can pay and afford to do it.

Mr. Simms. Yes, sir. There's no room for error.

Senator Symms. That's what I mean, because you're playing with fire. Every time you go out there and walk on the road and make a bid, you better be sure you can actually deliver or else you're down the drain. And that's why to try to force this situation ahead, it's an impossible situation.

Mr. Simms. And I think another thing, sir, is if they were starting with a more liberal percentage, 2.5 percent and maybe go to 5 percent, if they would have done it this way, if they would have in the first place, which I don't agree with anyway, but had they——

Senator Symms. The good faith effort is the way to do it.

Mr. Simms. I think so. That is the only way to do it. But if they would have worked at it slowly, maybe they could develop some minority contractors, but throwing a larger percentage on the industry created an immediate bunch of shams that perpetuated.

Senator Symms. So you think there are shams out there?

Mr. Simms. Absolutely.

Senator Symms. Well, I thank you very much for an excellent statement. The next witness is——

Mr. Major. I have to leave for a wedding shortly. I was wondering if it would be possible to——

Senator Symms. What's the subject?

Mr. Major. The 55.

Senator Symms. Fifty-five miles an hour?

Mr. Major. Yes.

Senator Symms. Is it a long statement?

Mr. Major. It won't take more than 5 minutes.

Senator Symms. Go ahead.

STATEMENT OF CHRIS MAJOR

Mr. Major. Thank you. I appreciate that greatly. My name is Chris Major. Concerning the 55 mile an hour limit, if we can go back to 1973, briefly the 55 was an engineered emergency conservation method and as such it has a considerable amount of merit. Although it's not ideal, a 35 mile an hour speed limit would be more ideal for a conservation measure. For example, we had one of those during World War II. But by 1973, our economy had grown quite a ways from what it was in the early 1940's and therefore a 35 mile speed limit would have done more economic damage than good. But the economy is we're going into the 12th year now of the 55 mile an hour speed limit. How long are we going to continue the state of emergency? For myself, the embargo borders on being a childhood memory. You know, for 12 years I've been crawling along at 55. And I know a lot of Americans are getting more weary. You can see statistics where the average speed traveled by motorists is approaching 60 miles an hour.

As a long-term conservation measure, it has some problem with it. For example, the market will eventually compensate it. As we've seen in the last couple of years, we have falling gas prices now and while gas prices lower it tends to cause higher consumption. The 55 for a long period standpoint appears to have outlived its usefulness. Also from an equity standpoint, we are denying people that need the highways and the speed they permit to bring those distant places within more reach. At the same time millions of American teenagers can cruise their car every night of the week and burn up gas, we can take vacations as often as we want, Sunday drives, snow cat, motorcycling, and whats our goal? What are we trying to do?

And if our goal is to gradually wean Americans from fossil fuels there are other ways to do it. But right now we're spending billions of dollars on synthetic fuel corporations and at the same time we have a tourniquet on our freeways. And they're actually working against each other. Just for an example, if we really want people to switch to synthetic fuels, if we issued 70 and 80 mile an hour speed limit permits to synthetic fuel automobiles, we would almost be assured that within 5 years probably half of all the cars on the road would be synthetic fuel powered. But of course I don't expect anything like that to go through. That's too simple, guaranteed to work, and the Federal Government wouldn't have to spend a dime.

Also from a highway safety standpoint, the 55 borders on being asinine. It's a backward approach to problem solving that pampers the problem, drunk, careless driving, mechnically unsafe car conditions and penalizes the very group of people the freeways are intended to benefit, the responsible, the defensive and the mechnically conscious driver. His freeway travel time on the average has been increased by 27 percent and in some Western States significantly more, like Montana. Yes, at slower speeds, drunk drivers don't wreck as easily, careless drivers the same and mechanically unsafe car conditions. But if slower is better, why do we stop at 55? Wouldn't 45 be better? Wouldn't 35 be better yet? Again, we had a 35 mile an hour speed limit during World War II. It would be nothing new. But the reasons that we are being given for retaining the 55, if valid, from a philosophical standpoint, we shouldn't have a 55 mile an hour speed limit. We're looking at something like a 10 or 15. But I'll be the first one to call something like that asinine.

If you gave a thousand people a certain task to do and out of that thousand 999 were successful and 1 was not, traditionally we would have called it a tremendous success. And then later on we would have tried to find out what those 999 did right but the 1 did not do and then try to raise that 1 up to the same standard that the other 999 achieved? Not so with the 55 mentality. It doesn't see the 999 that were successful. It sees the one that failed and that says it's a disaster. We better change the rules so no one will ever succeed at that task again. In other words, we all drive 55.

Millions of motorists prior to 1973, and a lot still do now, have put on mile after mile successfully at 70 miles per hour accident free. The system worked. Yes, we had failures and we still have failures today. In fact, since 1973, I believe we are pushing a half million automobile fatalities. The 55 hasn't solved anything. It has merely slowed the bleeding somewhat. It has treated the symptom, not the problem. Progress as we know and enjoy today has always been the result of raising the quality of man and machine to a higher standard. Simply lowering travel speeds on limited access, multilaned freeways originally designed for 70 miles an hour on up is simply lowering the standard that man and machine have to meet.

Senator SYMMS. What you're saying is you can't replace the man behind the wheel's responsibility.

Mr. MAJOR. In a free country like this, liberty has dangers, but as we saw the system was successful. We had failures.

Senator SYMMS. Chris, what's your occupation?

Mr. MAJOR. I'm a mining engineer for Bunker Limited. I'm almost done. Imagine the long-term consequences to society. If the same mentality were applied to a school system, would anybody seriously propose lowering class requirements to reduce the number of failing high school students? We could reduce it, but we'd pay for it. Yet this is the same mentality that the 55 mile an hour proponents have on our highways.

Senator SYMMS. I appreciate it and I'm for you. I hope we can raise it. Go ahead. Were you about done?

Mr. MAJOR. I'm close. There are an infinite number of driving and road conditions. Our laws should reflect that. To say that one arbitrarily designed speed limit, which wasn't even engineered for what is being used today, is suitable for everything from Chicago rush hour traffic on a dark, snowy night to a sunny, summer afternoon on I-15 is unreasonable.

Senator SYMMS. Let me ask you one question and this is the one that I get asked all the time by my colleagues who disagree with me that we should raise the speed limit, and that is they say look, now I'm putting this question to you, when the speed limit was 70, a lot of Americans were crowding up there driving to 75 and 80. Now we've got the speed limit at 55 and they're still crowding up there around 70 but most of the traffic stays under 70 now, the biggest bulk of it now, because the fines are much worse over 70. What do you think will happen if we raised it to 65 or 70?

Mr. MAJOR. The statistics show when the speed limit was 70 miles an hour predominantly, there were variations because there were 50 different States, the average speed traveled was about 65 miles an hour. Statistics show if you put it at something abnormally low, there's going to be mass violation. I believe Mr. Barnhart stated that also. I guess it comes back to the question, Is the Federal Government more competent to determine one speed limit for the States or are representatives of the States themselves best suited to make that determination? We have 50 States and an infinite number of driving conditions in there.

Senator SYMMS. Obviously the answer is it's better to keep the decisions made on the banks of the Coeur d'Alene River instead of the banks of the Potomac River?

Mr. MAJOR. Who's more competent to decide how to govern the roads in Idaho than the people that live there? I have to drive those roads daily. I don't want to tell Ted Kennedy how to drive in Massachusetts. He lives there. That's his. Now, we're responsible for making our way in the world, raising families, voting for representatives, yet at the national level they say we're incompetent to vote people to Boise to determine how to run our highways. It doesn't make sense.

Senator SYMMS. I thank you very much. Have you about got it wrapped up?

Mr. MAJOR. Yes. The big question is time. And if the 55 speed limit supporters don't think their time is worth much, I suggest they tell that to their employer. I can guarantee you their employer would be delighted to hear the news. But that's what I have. Thank you.

Senator SYMMS. Thank you very much. That's an excellent testimony. You deserve a round of applause.

Next we have Warren Hoemann, general counsel of the Western Highway Institute who does research incidentally for us here on weights and measures and other matters of highway engineering and they are a private highway institute. Warren, welcome to the committee. Did you have a prepared statement?

STATEMENT OF WARREN E. HOEMANN, GENERAL COUNSEL, WESTERN HIGHWAY INSTITUTE

Mr. HOEMANN. I do have a prepared statement, Senator. I was also made a courier at the last moment by the State of Montana which I have submitted copies of and I'd like to have that as part of the record.

Senator SYMMS. Without objection it will be part of the record.

Mr. HOEMANN. Thank you. I will try to be very brief. We have had a lot to talk about here today on how the West is dependent upon highway transportation and everyone knows that's true. We also recognize what Administrator Barnhart said, that it is very difficult for rural areas and large lined areas, particularly the Western States, to support the transportation costs that it takes to move their goods to market, unless they find some way to make that transportation more economical and more efficient, that is unless our case in the West the commercial vehicles can be more productive.

As you know and as you've been a strong proponent, the Western States have for years been issuing special permits for divisible loads across our highways and we have talked here today about the difficulty the States like Wyoming have in not having grandfather rights to allow those commercial vehicles to continue across Wyoming on the interstate highways. I think just to educate everyone on the extent of these operations, I brought two maps, and if a picture is worth a thousand words, I will save a thousand words. This first map shows in the Western States the routes that are authorized for triple trailers or turnpike doubles. And you see this continues on over into the Dakotas and Colorado. And even more dramatic than that I think, the routes that are authorized for Rocky Mountain doubles in the Western States and again continuing on over to the Plains States. And all these States share the same common difficulty. They need to make their highways more productive, because otherwise the transportation costs would overwhelm their population on the per capita basis.

There are problems, as have been admitted. States like Wyoming do not have grandfather rights. Other States have found the legal history rather contentious. We just had a U.S. Federal District Court case where the State of South Dakota felt compelled to sue the Federal Highway Administration over interpretation of grandfather rights. It's an unfortunate situation, a confrontational situation and really need not occur.

Some proposed legislation has been developed, which I have included in my testimony, and I believe Senator Andrews has talked to you about this, a so-called Pinwhell amendment which would authorize those States which you already see on the map already conducting these operations to issue divisible load permits controlled by axle weights and bridge formulas for reduction of impact on the highways.

Senator SYMMS. Would this amendment take care of the Wyoming problem?

Mr. HOEMANN. It would take care of the Wyoming problem. We no longer need a court case like we had in South Dakota. It would also take care of a problem—you see all the different colors on the maps. Those represent different lengths and different weights that are allowed in the States. And the States are making an effort right now through the Multistate Highway Transportation Agreement to harmonize these, but they have often been limited in their ability to do so because of interpretations under various grandfather rights. I'd just like to touch very quicky on one other point today.

Senator SYMMS. Well, I support that amendment.

Mr. HOEMANN. Thank you very much. I'm going to submit for your record a report of the Multistate Highway Transportation Agreement on some longer combination testing. (Retained in committee files.)

The other point is that currently there is ongoing a study of a national weight-distance tax by the U.S. DOT. Now, this study is just beginning and it may seem too soon to be talking about it, but I don't think so. My neighbor's teenager informed me that he was, quote, looking into an electric guitar, and I felt it wasn't too soon to shut the windows.

I think there are three points that need to be made that are quite often overlooked. I know I've testified on weight-distance taxation before to you, but these are three new ones I believe that are quite often overlooked. The first point, a national weight-distance tax would not be a simple extension of current mileage reporting by truckers. I have here a study which I will submit for the record by the National Governors' Association and their ongoing truck taxation studies. That shows that there is no common definition of mileage, no common definition of vehicles involved, no consensus to who should report miles. In other words, the national weight and distance taxes would be a new set of books.

Second in point, there is no Federal field enforcement for taxation. It would all fall back on the States, and only 11 States have firsthand experience with this type of tax. Most States don't even have port of entry systems. In other words, a national weight-distance tax would call for massive State level programs and would also represent an intrusion, I believe, of the Federal Government and the State tax systems, the reason being, the only way States can justify enforcement of that type of a national tax would be through piggybacking their own tax on top of it.

And the third point, and a point quite often overlooked, is that both Federal and practice studies have shown that users of high volume highways or interstates and primary highways tend to subsidize low volume city streets and local roads. That's because there's not enough revenue generated on the local streets and city and county roads to pay for themselves. Motor carriers, in other words, who operate about 90 percent of their time on high volume highways tend to subsidize low volume highways, and we have no complaint as long as everybody is part of the same tax structure. But when motor carriers are singled out for a separate tax structure, we think that any concept of equity goes out the window and that type of structure should not even be considered.

Senator, those are the points I'd like to bring to your attention today. I'll be leaving these report that I mentioned here with your staff and thank you for your time.

Senator SYMMS. Thank you very much for an excellent testimony and a good contribution to our hearings.

The next witness is Richard Bushnell of Clover Club Foods.

Richard, welcome to our beautiful area here and we welcome your testimony.

STATEMENT OF RICHARD BUSHNELL, MANAGER, TRANSPORTATION DEPARTMENT, CLOVER CLUB FOODS CO.

Mr. BUSHNELL. Mr. Chairman, my name is Richard Bushnell; I am manager of the transportation department for Clover Club Foods Co. in Kaysville, UT. I serve on the board of directors of the Private Truck Council of America [PTCA], and chair the PTCA Energy Committee.

PTCA represents the interests of approximately 1,800 companies that haul their own goods in furtherance of nontransportation primary businesses. Our members are a cross-section of American manufacturing, processing and retailing industries, and include a substantial number of Fortune 500 companies as well as many smaller concerns.

Trucks transported roughly three-quarters of all intercity freight in 1984, and private carriers hauled approximately two-thirds of the total truck freight. Thus, private fleets comprise not only the largest segment of the trucking industry, but are the single largest means of freight transportation in the country.

Clover Club Foods is a potato chip and snack food manufacturer. We operate a fleet of 22 tractors and 60 trailers in a 16-State distribution system in the Western United States. Our private fleet hauls 98 percent of the company's outbound finished product—each week we make deliveries to 253 distribution sites. Our trucks traveled over 3 million miles last year, and our fleet accounts for 7 percent of the total expenses of a company with $60 million in annual sales.

Our fleet operates a breakbulk terminal in Boise. We run twin 40-foot trailers from Salt Lake City to Boise, where we uncouple the trailers and haul them separately to distribution sites in

Oregon and Washington. The trailers are then recoupled in Boise and sent back to Salt Lake City.

On this backhaul run from Boise to Salt Lake City we haul empty plastic milk bottles under our contract carrier authority. The partially deregulated environment which allows us to operate as a contract carrier has been a real boon to our private fleet—we made $280,000 in backhaul revenue last year on what previously had been empty runs.

Our company's distribution network, and in turn its entire production and sales efforts, depend upon the Federal-aid highway system. Without the current highway program, Clover Club Foods would not be able to sell its products over such a wide area. The highway system is critical to our company's marketing program; I think that statement could probably be made by virtually every other member of the PTCA as well.

In general, the Federal-Aid Highway Program has been one Government program that has truly provided substantial benefits to the economy and the society at large. The Federal-State partnership established by the program has basically worked like the founders of the program hoped it would. Yet the highway system is now beginning to wear out—perhaps not in the west, where traffic volumes remain light—but overall the system faces massive reconstruction and rehabilitation requirements.

Because of the need for such tremendous capital investment in the highway system, it is essential that the highway program raises and allocates funds in a fair and efficient manner. Recent changes in the highway program have led PTCA to question the basic fairness of the ways in which we turn highway user fees into pavement.

Federal highway user fees generate approximately $14 billion each year in revenues for the Highway Trust Fund. However, another $1.1 billion is lost because of exemptions from the user fees. These exemptions require the taxpayers, including private truck fleets, to subsidize the highway travel by exempted categories of users. This subsidization flies in the face of the accepted practice of all users sharing in the cost of building and maintaining the roads.

The partial fuel tax exemption for gasohol drains $400 million annually from the highway trust fund. While the idea of subsidizing the fledgling gasohol industry may have been appropiate at one time as a means of lessening American dependence on foreign oil, ethanol production has now grown beyond the need for Government protection. In Iowa, over 37 percent of total fuel sales are gasohol, and the percentage is well over 30 percent in several other Midwestern and Plains States. There is no need to continue this competitive advantage for one fuel over another.

Even if the fuel tax exemption is lifted for gasohol, ethanol producers will still have the option of taking as equivalent 60¢ per gallon producer's income tax credit. This will provide exactly the same support for gasohol production, without depleting the Highway Trust Fund. And PTCA believes it is more appropriate to subsidize gasohol production, as an economic policy, from general fund revenues rather than Highway Trust Fund revenues.

In addition, there is an exemption from Federal user fees for all vehicles operated by State and local governments. We believe a tax system that included all users in its base would most equitably develop needed revenue. Surely the highway damage caused by automobile and truck fleets is no less simply because the vehicles are owned by a governmental entity. State and local governments, in general, are in a much better financial position now than the Federal Government—there is little reason for continued Federal subsidy of State and local vehicle fleets, to the detriment of all other taxpaying highway users.

Diversion of revenue from the Highway Trust Fund to the mass transit program amounts to $1.5 billion annually. This is tax money that automobile and truck highway users pay to subsidize the capital and operating expenses of the mass transit system through diversion of 1¢ per gallon in Federal fuel taxes to the Mass Transit Account. The result is a tremendous transfer of revenue to a handful of States for urban rail and bus systems. PTCA strongly urges Congress to end the transit penny diversion.

The Mass Transit Account, according to recent estimates by the Congressional Budget Office, is now accumulating annual revenue and interest $400 million over the current $1.1 billion authorization for the Federal-Aid Transit Program. A recent House appropriation reduced this program to $1.01 billion; thus, an annual surplus of half a billion dollars may soon be accumulating in the Transit Trust Fund out of highway user fees. It is time for this basically unfair transfer of funds to end.

The need to end the transit diversion is especially acute since the Highway Trust Fund itself is in danger of running into the red. The Congressional Budget Office now estimates that highway revenues are annually running $600 million short of projections, and that by the next decade the Highway Trust Fund could well be in a deficit position. It is inequitable to contribute to the bankrupt posture of the Highway Trust Fund by amassing unallocated revenues in the transit account.

The use of highway taxes to subsidize transit programs arises from a desired substitution effect; i.e., the tax is a negative incentive for automobile users to switch to mass transit. However, there is no substitution effect possible for freight transportation by truck. Mass transit cannot be used for property transport, so there is no possibility of reducing truck traffic by subsidizing transit with truck taxes. Should Congress desire to keep the transit penny diversion, we recommend that no fuel taxes from property carriers is included.

In addition, the Highway Trust Fund should not be the mechanism for implementing Federal social policy. The disadvantaged business enterprise program, the Davis-Bacon Act requirements, and the "Buy American" program all unncessarily drain much-needed funds from the construction and maintenance of the highways. The Federal Highway Administration estimates that the Davis-Bacon Act requirements that Federal highway projects pay the prevailing local wage rates alone costs the Federal Highway Program between $280 and $530 million per year. This social policy is better advanced through general fund outlays, where all taxpayers contribute.

PTCA proposes that primary routes designated by the Federal Highway Administration for inclusion in the national network of routes under the Surface Transportation Assistance Act of 1982 for use by longer and wider vehicles be given funding priority to ensure that these routes can safely accommodate the larger dimension vehicles. In addition, we propose that nondesignated primary routes of national or regional significance be upgraded to handle the STAA-authorized traffic, and that FHWA oversee the establishment of access routes to provide liberal ingress and egress to the national network.

Trucks have been paying the increased taxes established by the STAA since April 1983; yet many fleets are still unable to take advantage of the more productive length and width rules because of restrictive route designation and a denial of "reasonable access" to and from the national network. PTCA, along with a number of shipper and carrier interests, has asked the Federal Highway Administration to aggressively implement the routes designation and access provisions of the STAA. Unfortunately, the results are disappointing; many States restrict access to the national network to less than a mile, or less than 2 miles. FHWA refuses to assert Federal authority over the States to require more liberal policies.

Generally, I think State policies on truck size and weights are overly restrictive. For example, Clover Club Foods runs a set of Rocky Mountain double trailers (one 40-foot and one 28-foot trailer) for Salt Lake City to Las Vegas en route to deliveries in Phoenix. While our delivery orders would easily allow us to take both trailers into Phoenix several times a week, the State of Arizona will not allow Rocky Mountain doubles on U.S. Route 93 between Las Vegas and Phoenix. Thus, we have to uncouple the doubles in Las Vegas and make more frequent trips to Phoenix with a single trailer; this uses more fuel, puts more trucks on the road, and rasises our labor and equipment costs. I note with disappointment that FHWA has recently rejected the idea of considering a national network of routes for Rocky Mountain doubles, stating that the network might harm rail transportation.

I appreciate your willingness to hold field hearings for those of us unable to come to Washington, DC, to participate in the legislative process on a regular basis. On behalf of PTCA, I want to publicly thank you for being a friend to the trucking industry, and in particular for working to get congressional approval of an interstate cost estimate that allows for continued highway funding without costly "demonstration" projects. Now that the House has adopted the Senate's interstate cost estimate package we can begin once again to repair and maintain the highway system.

I would be happy to answer any questions you have. Thank you for your time.

Senator SYMMS. Do you deliver just to the wholesale houses? You don't deliver to fresh grocery stores, per se?

Mr. BUSHNELL. The over-the-road equipment, it's basically to our individual salesman's warehouse.

Senator SYMMS. And they deliver?

Mr. BUSHNELL. Then they would take it out in a smaller truck to the individual grocery stores.

Senator SYMMS. Your normal truck that you send from Utah up to Boise, do you actually have that truck loaded down with a full gross limitation in potato chips or are light enough that you're running light but with a lot of bulk?

Mr. **Bushnell**. Well, even on those two 40-foot trailers we don't exceed the 80 gross.

Senator **Symms**. What about speed of driving? If the speed limit were lifted to 65, would you run your truck 65?

Mr. **Bushnell**. We can slow them down that much. In other words, what I'm saying is we're still way off.

Senator **Symms**. That's good to have people on the West.

Mr. **Bushnell**. I'm going to get in trouble for this answer, too. The areas that we operate in the Western United States we're able to go much faster than that and whether you're hauling potato chips or potatoes, there are certain roads that facilitate that. Like I say, I'll probably get in trouble.

Senator **Symms**. No, not with me. Well, thank you very much. Do you have anything else you want to add?

Mr. **Bushnell**. No, not at all. Thank you very much for allowing my testimony.

Senator **Symms**. Thank you. Now we have some more witnesses from the public which we welcome, Sylvia Plummer and Bill Marion. Before we do this I'd like to insert in the record the statement of Dale Stedman of the Inland Automobile Association.

Sylvia, we'll go with ladies first here.

STATEMENT OF SYLVIA PLUMMER

Ms. **Plummer**. Yes; we live in Farragut Village and Good Hope Road is right next to our home. I got a petition together with all the neighbors. We have an awful lot of dust that flows through the air from logging trucks and an awful lot of traffic.

Senator **Symms**. What's the road?

Ms. **Plummer**. Good Hope Road.

Senator **Symms**. Is that a State road or a county road?

Ms. **Plummer**. That is a county road. And it's getting worse and worse and we have dust continually all day long. The children walk to school and they can't even see the road. It's just terrible. We have no speed limit at all. Cars just buzz by just terribly fast. And it just is not healthy I don't like living in an environment like that.

Senator **Symms**. Is this in Kootenai County?

Ms. **Plummer**. Yes, and I hate to say this, but I think we're kind of forgotten in northern Idaho. It just seems like we have no prospects of having our roads paved or the speed limit cut down.

Senator **Symms**. You would have appreciated the testimony of Roy Bodine earlier about the problem of the highway district and the amount of roads they have to take care of and the amount of money they have, so I think there is a problem there.

Ms. **Plummer**. Yeah, there really is. They ditched the road for us and they just left it dusty. They didn't put any gravel on. And my husband has emphysema and he went to the doctor and the doctor told him that he just couldn't take all that dust. And it seems a shame. And I've got quite a few signatures on petitions to take down to the highway district, but of course I really don't feel that they will do anything. They told us the last time my neighbor and I went down to go ahead and pay for it ourselves. However, that wouldn't cover enough area, what we could afford to pay, to cut down the dust at all.

Senator **Symms**. OK. Well, I appreciate your concern. I do think that what will have to be done with the message you have, I would be happy to help get it to the county commissioners and my staff can assist you in that, but that decision on the county road is not going to be made here. We've got the Federal Highway Administrator here, but he's not going to be able to do anything about a county road other than the allocations of moneys that come from the Federal trust fund, but I think as you heard the testimony of the thousands of miles of road they've got problems with, but you should take your petition down to the courthouse.

Ms. **Plummer**. Yeah, I left it there and so they would be prepared instead of telling me to come back some other time. But I wonder if there could be a speed limit put on the road because people drive just terrible. You don't have to open up the 65 miles an hour there. They're already going it.

Senator **Symms**. Thank you very much.

Ms. **Plummer**. Thank you for listening.

Senator **Symms**. I'm sorry. I lost your name.

Mr. **Marion**. Bill Marion.

Senator **Symms**. Bill, we're glad to hear from you.

STATEMENT OF BILL MARION

Mr. **Marion**. Well, I'm an independent trucker.

Senator **Symms**. What's your primary call?

Mr. **Marion**. Whatever I can make a dollar at.

Senator **Symms**. Do you haul refrigerated products?

Mr. **Marion**. I've hauled refrigerated. I've hauled flatbed, a grain trailer which is sitting in my yard right now. So far this year I've hauled 26 loads on that, which during harvest was about 7 days' work. And I have a couple things that I'd like to say.

One of the reasons the highway trust fund seems to be dwindling is the fact that in the last few years since deregulation there's been over 300 percent increase in a number of bankruptcies in the trucking business. You take those trucks out off the highways and there are no user fees paid on them. The one gentleman that said that there was a significant increase in the amount of freight hauled I think at 37½—the increase in the number of freight over previous years has been done at significant decrease in the revenue to the trucking industry. There is maybe the increase has been 15 or 20 percent over previous years, but the revenue has been less. Plus you have every tax that has been levied here recently in the last few years since the Revision Transportation Act has been 100 percent. Trucking revenues have gone down 25 to 35 percent.

Recently you have an insurance problem which I don't know. It's just hit me. I just canceled my liability insurance and I'm leasing through a carrier which provides that insurance, but the 150-percent increase that most everybody has been hit with here recently and some people, mainly a lot of loggers that I know because I haul logs too, they're going to put their trucks up for sale. And one guy is going to retire early. It's just not in the cards. The amount of money that is out there to be generated by trucking right now is at a very minimum.

Senator SYMMS. We've got a major problem on this liability. I don't know what's triggered the whole thing other than just over the years just generous juries, I guess.

Mr. MARION. That's part of the problem, and another problem is the insurance companies aren't making the type of return on investment that they think they should be making, because the interest rates have come down to a reasonable level. And so they figure that the best way to do it is just—it's a Federal law and a State law that you have to have liability insurance, so when all the companies get together and raise their rates, I think that's a little bit something to do with antitrust, don't you think?

Senator SYMMS. Well, I think we've really got to look into it. I don't know that I have the answer, but I do know I have talked to many people who told me they had to drop all their collision insurance and all they require is liability, because it's required by the law. I think that puts a lot of small business people in a real serious risk. If it's a big trucking company and they're running 300 trucks and they lose one, they're not going to go under, but a small independent operator that may run two or three trucks or even one truck is in real jeopardy if he has an accident and loses the truck. I think that puts people at an unfair risk, so I don't know what we're going to do about it. It's not just in trucking. It's in all kinds of business, cities, counties, small businesses of all kinds. Fuel stations and people of these type are having difficulties, also.

Mr. MARION. Right. One other thing, I do support raising the 55-mile-an-hour speed limit.

I think, especially in interstate commerce where Government entities apply all these taxes and expenses that you have to meet with because of the law and then you have a thing called a log book, which every trucker is supposed to diligently fill out and you are required to produce this log book when an authorized officer asks you for it. And if he doesn't, it's usually a minimum of an $80 fine if you happen to leave it at home or can't find it or something such as that.

Senator SYMMS. Who's got a better incentive to keep you awake than yourself?

Mr. MARION. That's right. That's right. And If you go to a truck stop out there and don't tell anybody who you are, just ask them, just tell them you're not a law enforcement officer or anything, just ask them do you diligently and truthfully write eveything that has to be written in your log book, and I think 99 out of 100 will tell you no, because it's physically and it's just economically impossible to run a legal log book and survive in today's trucking economy. It's just totally impossible.

Senator SYMMS. What's the law in the log book supposed to show, drive 8 hours, sleep 8 hours?

Mr. MARION. OK you have 10 hours on duty driving is the max.

Senator SYMMS. Ten hours on duty?

Mr. MARION. Ten hours on duty driving. You have a maximum of 15 hours on duty that's driving and loading or unloading, whatever you might be doing, and being in readiness with that truck. Then you have to have 8 hours off, which is either off duty or in the sleeper berth. What you have to do is take 15 minutes to a half hour to inspect your truck in the morning. You drive 4 or 5 hours. You have to take between a half hour or an hour off, another 4 or 5 hours, so you have a total of 10 hours' driving time. Then you have to take 8 hours off duty. Even you might be within an hour of delivering your load and you have to take 8 hours off duty and you lose another day. And then you add this up. You have 70 hours in 8 days is all you can work total driving and on duty. And that's less than 10 hours a day for daily working.

And I think a log book is a good thing. It keeps peope aware of where you're at and what you're doing, but I don't think it should be used by the States as they're doing it as a source of producing revenue. And Montana is the worst violator of it, $100, $150 fine for any kind of violation in a log book.

Senator SYMMS. OK. Thank you very much. We appreciate your testimony and I want to thank all the witnesses that have testified here this morning and announce that the hearing record will be open for another 10 days and we will stand adjourned.

[Statements submitted for the record follow:]

State of Montana
Office of the Governor
Helena, Montana 59620

TED SCHWINDEN
GOVERNOR

September 19, 1985

Senate Committee on Environment
and Public Works
Transportation Subcommittee
410 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Sirs:

I regret that neither the Montana Highway Department Director nor I will be available to testify before the Transportation Subcommittee during the upcoming field hearings in Coeur D'Alene, Idaho on September 28. I do want to go on record with the Committee regarding the reauthorization of the Federal Aid Highway Program.

Before commenting specifically on the issues, I want to thank the Committee for its continuing support of the Federal Aid Highway Program. Very clearly, the program has contributed dramatically to the economic well being of the nation, and especially to the western states that do not have viable alternatives such as an extensive rail system. If it were not for the vigorous support of rural and western congressional delegations, and your insistence that the formulae for distributing federal aid realistically recognize transportation problems in rural states, transportation costs in our state would be substantially higher than they already are. Our ability to compete in the retail market would be substantially less, and as a result the citizens of Montana would be less well-off.

Like many other western states, Montana is a very large state with a small and widely dispersed population. Because of the critical highway needs in Montana and in response to the increase in federal aid that resulted from the 1982 Surface Transportation Assistance Act [STAA], Montana increased its motor fuel use taxes on gasoline and diesel by 6¢ a gallon in 1983 to 15¢ and 17¢ a gallon, respectively. We recognize our highway needs, and are willing to pay for them to the best of our ability. We are continuing to review our need for additional highway revenues to determine whether to request an increase during the 1987 legislature.

Despite our already strong commitment and statewide support, Montana simply can not meet its highway needs on its own. Much of the state's primary and secondary systems date back to the 1930's and 40's, and are deteriorating faster than they can be repaired. With passage of the STAA of 1982 and Montana's own vigorous program to upgrade its highways, we are starting to see real progress in reversing that trend. Any reduction in the overall federal highway program, or change in the formulae to distribute funds to rural states, would represent a major step backward.

The number one industry in Montana is agriculture. The highway collector system in Montana is critical to agriculture, especially in light of the decline of the existing rail system. Montana has over 10,000 miles of primary and secondary roads under the federal aid system, and many thousands more that are classified as county or local roads. All these roadways contribute to the well being of the agriculture sector. Due to a continuing reduction in rail service, more and more of our agricultural products and supplies are being transported over our roads by trucks, increasing the wear and tear on an already inadequate system. Montana presently passes through to the cities and counties approximately 3¢ per gallon of the state's motor fuel use taxes for construction and maintenance of local roads. The federal primary and secondary funds are the only other major sources of funds for these roadways. In states like Montana, the road needs of the agriculture community far surpass the revenues to meet those needs.

It has been generally accepted for many years that the rural and less densely populated states need more federal aid highway funds than are generated by those states to the Trust Fund. This is in recognition that those states must construct and maintain significantly larger amounts of roadways per capita than more populated states, and that no transportation alternatives exist in rural areas. The House version of the I4R formula as contained in HR 3129 would change the present formula away from lane miles to more emphasis on miles driven and gas and diesel usage. The proposed formula would reduce Montana's share of the I4R funds by more than 50% -- from $44 million to only $15 million -- far less than what is required for I4R work in Montana today. The $29 million would mean a loss of over 25% of the total amount Montana receives in federal aid highway funds. Recognizing that Montana has more miles of road per capita than any other state in the United States, we believe it is essential that lane miles remain a key and primary element in the development of the I4R formula.

We are pleased to report that the interstate system in Montana will finally be completed (with all gaps closed) during 1988. What began in 1956 will have taken 32 years to complete. Montana's 1200 miles of interstate will have cost approximately $1.2 billion, or $1 million per mile. This massive undertaking could never have been achieved without the federal aid program, a fair distribution formula, and the long term national commitment made during the 1950's. The State of Montana needs the continuing financial support of the federal aid interstate program to pay off bonds and notes issued to complete the system. We expect and need the future apportionments to meet commitments already made. The federal aid program must be reauthorized and the ICE released in a timely manner for our state to complete the system in 1988.

Regarding the primary, secondary and all the other formulae, we believe it is essential that Montana at least maintain the current level of funding that it now receives. If Congress provides some of the flexibility being proposed by the American Association of State Highway and Transportation Officials (AASHTO), we believe that the current funding can be put to more effective use in Montana.

Under the AASHTO proposal for the future contained in the report "A New Focus for Americas Highways - Recommendations on the Federal-Aid Highway Program", we see a real opportunity for the states to make maximum use of existing funds in the areas of greatest need. For example, upon completion of the interstate in Montana, and upon retirement of the bonds and notes issued to complete the system, it would be possible to direct future funds to the state's primary system. It is critical to Montana that we expand our efforts on rehabilitating and restoring our primary system. The 1983 legislature created a Reconstruction Trust Fund program and funded it with some additional non-highway funds to address Montana's primary system deficiencies. These funds, in combination with existing federal aid primary funds, are meeting only 34% of our documented needs on the primary system. While 34% is better than in the recent past, it is clearly not enough to solve the problem.

We support the AASHTO position regarding the form and structure of the future highway act regarding "roads of national significance" and a block grant approach for the secondary and urban systems. We believe the continuing partnership as envisaged in the AASHTO position is forward thinking and will meet the national and states needs for the near term. As the interstate system comes closer to completion the emphasis will shift from construction to maintenance of the system, and the opportunity to address the nation's primary and secondary systems will present itself. The AASHTO approach maintains the partnership while introducing more flexibility for the states to better meet their unique local needs.

We strongly support the continuation of the Public Lands Highway Program. Approximately 27 million of the 94 million acres of land in Montana, or almost 30%, is owned and managed by the various agencies of the federal government. The federal lands highway program is important to that portion of Montana, both for providing and maintaining an efficient transportation system and for land use and development purposes.

We strongly oppose the diversion of highway user fees for non-highway purposes. Very simply, those who use our roadways should pay for the maintenance, reconstruction and rehabilitation of those roadways.

We believe that the users of our highways should pay for the system through user fees. We do not object to the authorization of toll facilities. They are not appropriate in Montana for several reasons, but we support the AASHTO position that states should be permitted to develop toll highways where uniquely high maintenance, construction or reconstruction costs exist.

We support the 55 MPH speed limit. I have, however, recently gone on record in support of Representative McCurdy's proposal, as contained in HR 693, to provide discretion to increase the speed limit to 65 MPH on designated rural interstate segments. We believe these isolated and high quality roadways can sustain higher speeds safely and without undue deterioration. This approach appears to be an excellent compromise between the need for retaining the 55 MPH limit where it is necessary and effective and for providing some flexibility where it is not.

In general, we support the Senate's efforts on highway legislation. S 1514, the ICE bill which recently passed the Senate, would release the interstate funds in a timely manner. We applaud your efforts to pass the 'clean' ICE bill. We appreciate your continuing recognition of highway needs in rural areas and the preservation of funding formulae that are based on those needs. We do not support House efforts to date, especially HR 3129 which would drastically alter the I4R formula and authorize 71 demonstration projects totalling $1 billion.

Again, I regret not being able to testify on a subject of critical importance to Montana. I have responded to the issues you wanted addressed, and am hopeful that my comments will be reflected in any new highway legislation.

Sincerely,

TED SCHWINDEN
Governor of Montana

TS:mb:2ee

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COMMITTEES
COMMERCE AND LABOR
LOCAL GOVERNMENT
AND TAXATION
FINANCE

1981 - 1984
Idaho State Senate
CAPITOL BUILDING
BOISE

9/26/85

THE HONORABLE SENATOR STEVE SYMMS
SENATE TRANSPORTATION FIELD HEARING
COEUR d'ALENE, IDAHO

DEAR SENATOR SYMMS,

I APPLAUD YOUR INQUIRY INTO THE 55 MILE SPEED LIMIT. WE HAVE DISCUSSED THIS ISSUE IN THE PAST, AND MAY I RESTATE MY THOUGHTS ON THE SUBJECT FOR YOUR CONSIDERATION.

BASED ON A PREMISE OF CONSERVING A SCARCE RESOURCE, THE FEDERAL GOVERNMENT SET A PRECEDENT BY USURPING STATES RIGHTS, AND MANDATING THE 55 M.P.H. SPEED LIMIT. FURTHER, THEY COERCED THE ENFORCEMENT OF THE LAW WITH THE THREAT OF "NOT PARTICIPATING" IN THE USE OF FEDERAL HIGHWAY FUNDS, IF A STATE DID NOT WISH TO "PARTICIPATE" IN THE LAW.

WE ARE A NATION OF MOBILE PEOPLE, WITH LONG DISTANCES TO COVER, ESPECIALLY IN MANY OF THE WESTERN STATES. OUR HIGHWAYS ARE MOSTLY DESIGNED FOR A SPEED OF 70 +, AND THE VEHICLES THE SAME.

I RECOGNIZE THERE ARE VARIABLES, SUCH AS THE WEATHER, THAT WILL AFFECT THE SAFETY FACTOR AT ANY GIVEN SPEED. ANY PRUDENT DRIVER WILL ADJUST HIS SPEED ACCORDINGLY.

THE DROP IN SPEED FROM 70 TO 55 IS A 21.42% DROP. THIS REQUIRES AT LEAST AN EQUAL INCREASE IN TIME TO COVER THE SAME DISTANCE. THIS INFLATES THE COST OF MOVEMENT OF ALL GOODS HAULED OVER THE HIGHWAYS BY AT LEAST 21.42%. IN ADDITION, TRUCKS ARE NOT DESIGNED TO OPERATE EFFICIENTLY AT THE LOWER SPEED, WHICH ADD ANOTHER UNKNOWN COST TO ALL GOODS HAULED BY TRUCK.

ANOTHER AREA OF CONCERN IS MY BUSINESS AS A TRAVELING SALES PERSON. I DRIVE AT LEAST 50,000 MILES PER YR. WORKING 50 WEEKS, 5 DAYS PER WEEK, THATS 200 MILES PER DAY. I DO NOT CONSIDER THIS UNUSUAL. WHEN YOU CALCULATE THE TIME I SPEND ON THE ROAD, THE FEDERAL 55 MPH LAW MANDATED THAT, IF I OBEY LAW, I MUST SPEND ABOUT ONE EXTRA HOUR AT WORK EVERY DAY - WITH NO PAY. THERE ARE THOUSANDS IN THE SAME SITUATION.

I RECOGNIZE THAT THE DECREASE HAS INDEED SAVED SOME LIVES, AND THIS IS VERY, VERY IMPORTANT. HOWEVER, IF IT IS REALLY OF PARAMOUNT IMPORTANCE TO SAVE LIVES, CONSIDER THAT 55% OF ALL TRAFFIC DEATHS ARE ALCOHOL RELATED. IF YOU REALLY WISH TO SAVE LIVES, HALF COULD BE SPARED BY REMOVING THE DRUNK DRIVERS FROM THE HIGHWAY.

IF YOU USE THE LOGIC THAT A REDUCTION FROM 70 to 55 SAVES X NUMBER OF LIVES, THEN A DROP FROM 55 to 40 WOULD UNDOUBTEDLY SAVE X NUMBER MORE; AND FROM 40 TO 25 X NUMBER MORE. IF WE ALL WALKED, THERE WOULD BE A 100% REDUCTION IN HIGHWAY DEATHS - A LITTLE RIDICULOUS IN TODAY'S WORLD, ISN'T IT?

IN DISCUSSION WITH SOME MEMBERS OF THE IDAHO STATE POLICE, WE ALL HAVE AGREED THAT A LIMIT OF 65 ON ALL HIGHWAYS, WITH A REASONABLE AND PRUDENT CLAUSE TO COVER VARIABLE CONDITIONS WOULD BE LOGICAL AND WELL ACCEPTED BY MOST MOTORISTS.

SOME STATES ARE NOW USING THE 55 MPH LAW, AND THE FACT THAT A MAJORITY DO NOT OBEY THIS LAW, AS A SOURCE OF REVENUE. SAFETY OF THE MOTORING PUBLIC SHOULD BE THE PREVAILING FACTOR, NOT THE INCOME GENERATED BY SPEEDING CITATIONS.

UNLESS THE FEDERAL GOVERNMENT NOW FOLLOWS THE PRECEDENT SET IN THE BEGINING AND WILL MANDATE A 65 M.P.H. LAW, SOME STATES WILL MAINTAIN 55 MPH, OR SOME OTHER SPEED, FOR THE SOLE PURPOSE OF INCREASING THEIR INCOME.

IF THE LAW IS CHANGED, IT MUST AGAIN BE A FEDERAL MANDATE TO PROVIDE UNIFORM SPEED LIMITS NATIONWIDE.

THIS CHANGE WAS ONE OF THE PLANKS IN THE NATIONAL REPUBLICAN PARTY PLATFORM WHEN PRESIDENT REAGAN WAS FIRST ELECTED. IT IS LONG OVER DUE.

AGAIN, MY SINCERE APPRECIATION FOR YOUR EFFORTS IN THIS AREA. I URGE YOU TO PURSUE IT TO THE LOGICAL CONCLUSION OF A FEDERAL 65 M.P.H. LAW AND LET US GET AMERICAN WHEELS TURNING AGAIN.

THANKS FOR YOUR EXCELLENCE IN REPRESENTING ME IN THE UNITED STATES SENATE.

Bill Moore

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STATEMENT OF R. A. BARNHART
FEDERAL HIGHWAY ADMINISTRATOR
U.S. DEPARTMENT OF TRANSPORTATION
BEFORE THE
TRANSPORTATION SUBCOMMITTEE OF THE
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Coeur d'Aiene, Idaho
September 28, 1985

Reauthorization of the Federal-Aid Highway Program

Mr. Chairman, let me take this opportunity to thank you and your committee for obtaining the passage of a clean Interstate Cost Estimate (ICE) and Interstate Substitution Cost Estimate (ISCE) in the Senate. The passage of S. 1514 by the House last week clears the way for apportionment of Federal-aid highway funds vitally needed here in Idaho and in other States.

The comments I make today on proposed elements of a new highway reauthorization bill reflect what we in the Federal Highway Administration (FHWA) are considering. A comprehensive bill is under review; consequently, my comments do not necessarily reflect the Administration's policy. Also, I will comment on the areas raised in your invitation letter.

The Ability of States With Small Populations and Large Areas to Raise Sufficient Revenues for Highway Needs

Idaho is eighth in a list of States with the smallest ratio of people per square mile and has 11.4 persons for each square mile. It is apparent that sparsely populated States such as Idaho have difficulties raising large sums of money. In 1983, it was necessary for the residents of Idaho to contribute $119 per capita in non-Federal highway revenues compared to a national average of $103.

While sparsely populated States may not be able to raise large sums of money, they may also have smaller percentages of higher order roadway systems with high-cost, congestion-related needs than do densely populated States. Low density States, as a general rule, report Interstate 4R and primary systems needs that fortunately rank among the lowest cost in the country on a per-mile basis.

A national highway program is necessary to retain and improve our Federal-aid Interstate and primary systems throughout sparsely populated as well as densely populated states.

The Federal Lands Highways Program

The 1982 Surface Transportation Assistance Act (STAA) provided for a coordinated Federal Lands Highways Program. This program is a Federal responsibility which is directed to the improvement and construction of those roads that are open to the public and serve Federal lands. The Secretary of Transportation has oversight and coordinating responsibilities for this program. Most of these lands, however, are under the jurisdiction of the Department of the Interior or the Department of Agriculture. The Federal Lands Highways Program includes authorizations in the 1982 STAA out of the Highway Trust Fund for the following:

FLHP Category	FY 1983	FY 1984 through FY 1986
Forest Highways	$50,000,000	$ 50,000,000
Park Road and Parkways	$75,000,000	$100,000,000
Indian Reservation Roads	$75,000,000	$100,000,000
Public Lands Highways	$50,000,000	$ 50,000,000

The Federal Lands Highways Program is of particular importance to Idaho. There are over 53,000 square miles of various Federal lands in Idaho that are served by public roads. These roads consist of designated forest highways, Federal-aid system roads through Federal lands, park roads under the jurisdiction of the National Park Service, and designated Indian reservation roads. The Federal Lands Highways Program shares in the improvement costs to those roads serving Federal lands. In fiscal year (FY) 1985, over $7.5 million in Federal Lands Highways Program funds were provided for improvement of roads in Idaho.

55 MPH Speed Limit

Since its enactment in early 1974, the 55 mph speed limit has consistently been a controversial issue. Its longevity as an issue can be traced to the fact that on a daily basis it has the potential to directly affect the driving habits of about 155 million licensed drivers.

We are now in the twelfth year of the 55 mph speed limit. With speed trends clearly showing that the percentage of motorists exceeding 55 is continually increasing, a review of the law, its appropriateness and application is in order. The National Academy of Sciences report entitled "55: A Decade of Experience" released last November has provided the needed catalyst for just such a review. Several policy alternatives for the future of the speed limit are currently being studied within the Department. When that review is complete I am sure the Secretary will share the Department's conclusions with you and your colleagues.

Unless a statutory change is made, however, we are bound to enforce the existing law. As you are aware, FHWA and the National Highway Traffic Safety Administration have recommended to the Secretary that three States - Arizona, Maryland and Vermont - be found in noncompliance for FY 1984 with section 154 of title 23, United States Code. The next step in the process for these three States will be the convening of a hearing before a final determination regarding noncompliance is made in each case by the Department.

Even while proceedings continue over FY 1984's findings, FY 1985's data collection will be complete as of October 1. Estimates made earlier using data collected through June 30 indicate that as many as twelve States may face fund reduction proceedings for noncompliance with the 55 mph speed limit statute. Final figures will not be available until next January.

The trend of increasing disregard by individual motorists for the 55 mph limit is evidenced by the increasing number of States facing problems with noncompliance. The method by which State compliance with the 55 mph statutes is determined was an area that the National Academy of Sciences report reviewed at length. That report criticized the current procedures. The Department of Transportation (DOT) is now studying policy options in the light of the findings and recommendations of the report. I urge you and your colleagues to withhold action on any proposals to change this process until the DOT conclusions and recommendations are available.

Preliminary figures indicate that Idaho's noncompliance figure for FY 1985 will be well under the 50 percent statutory limit and that Idaho will be in compliance.

Use of Highway User Fees for Other Purposes

For 1983, the States used about 11 percent of their State road user taxes for non-highway purposes. Trends indicate that such use by the States will decline in the future. As a result of changes made by the 1982 STAA, about $1.2 billion per year of Highway Trust Fund revenues go into the Mass Transit Account for mass transit use. Also, on the average over the past twelve years, States have elected to use about $2.5 million per year is used from urban system apportionments for mass transit. This represents about .4 percent of total urban system obligations. Use of urban system funds for mass transit has been negligible in the last two years which was a choice that was up to the States reflecting their program decisions.

The Condition and Needs of Roads in Agricultural Areas

In general, agricultural States are better off in the areas of pavement condition, bridge condition, and highway needs than the Nation is as a whole. In Idaho, 12.5 percent of the Interstate is reported to have poor pavement, compared with 13.1 percent for the Nation. Idaho reports 6 percent of primary with poor pavement compared to 11 percent nationwide. Secondary roads in Idaho have 13.7 percent poor pavement compared to 14.6 percent nationwide. Idaho has a significant number of deficient bridges, with 20 percent of its rural bridges (659) rated structurally deficient. The national average of deficient bridges is 25 percent.

Completion of the Interstate System

The total Interstate mileage open to traffic as of December 31, 1984, is 41,138 miles, accounting for 96.8 percent of the total Interstate highway system. In addition to sections now open to traffic, construction is underway on 653 miles of Interstate highways. Engineering, or right-of-way acquisition prior to construction, is currently in progress on 562 miles, and the location has been approved on 48 miles. The STAA of 1982 extended authorizations for Interstate construction to FY 1990 at $4 billion per year.

Considering all apportionments made to date, Idaho shows a cost to complete the Interstate System of $135 million. Idaho's estimated apportionment of Interstate funds on October 1, 1985, will be $29,293,000.

Responsibilities of the Federal, State and Local Governments

The Federal role should focus on (1) completion of funding for the Interstate System in 1990; (2) preservation of the Interstate System, primary system, and the rehabilitation or replacement of bridges on major systems; (3) oversight of safety and economic implications on interstate commerce in areas such as hazardous materials transport, impact of larger trucks on Federal systems, and the uniformity in State law related to motor carriers; (4) training and technical assistance relative to innovations in transportation activities, e.g., traffic operations; and (5) renewed emphasis on strategic highway research and development, particularly pavement performance. States and local governments should identify, implement and monitor safety construction and operational improvements, focus on efficient use of current systems, and begin to accept greater responsibility for local interest highways.

Alternative Methods of Financing Highway Construction Including Toll Financing

The FHWA has studied several proposals that would provide more flexibility in highway financing and alternative methods for funding highway construction. Our study of alternative financing methods was prompted, in part, by frequent requests to fund projects that involve both highway interests and some form of private or other public development interests. These requests often complicate highway construction because they are not in conformity with normal project designs and priorities. They sometimes result in unusual project configurations and may even result in projects which are delayed because of the inability to marshal sufficient financing. They can, however, result in additional private financing to supplement strained governmental resources.

Additionally, our interest in alternative financing methods was prompted by the need for new or expanded highway construction where the costs of such construction are extraordinarily expensive and beyond normal Federal-aid apportionment capability. There are numerous examples of these types of projects particularly in the regions of the country where populations are increasing rapidly. The needs for these highway facilities are immediate while at the same time the needs for resurfacing, rehabilitation and reconstruction are also substantial. Thus, there is a short-term demand for an extraordinary investment which would strain any State and local highway agency budget.

The FHWA is considering legislative proposals including toll financing which will ease some of the problems frequently encountered with highway financing today.

Review of the Apportionment Formulas

The Federal-aid highway programs are in transition. The Interstate 4R program increases in importance as the Interstate System nears completion. Changes in other programs may also be in order. A block grant is being considered to replace some existing categories. As a consequence of these and other factors, it is imperative that we closely examine the formulas used to apportion Federal-aid funds.

Several recent Congressional actions have focused attention on Federal-aid highway apportionment formulas.

- The STAA of 1982 changed the then existing primary program apportionment formula to a more complicated one that involves calculations under two formulas.

- The same Act directed the Secretary of Transportation to undertake two studies related to apportionment of Federal-aid highway funds under title 23 of the U.S.C. Section 137(a) directed the Secretary to study the need and methods for including weather-related factors in all apportionment formulas under title 23. Section 137(b) directed the Secretary to study alternative procedures to "determine the most equitable and efficient method of apportioning" funds for the Interstate 4R program.

- This Act also included a provision ensuring that no State shall receive total apportionments in nine major programs such that the percentage is less than 85 percent of the percentage of the Highway Trust Fund contributions by users in that State.

- Section 135 of H.R. 5504 (98th Congress, 2nd Session) would have required a "full and complete study" of all of the apportionment and allocation formulas. This provision was not included in legislation enacted during that session. This same bill included a provision that would have altered the formula for apportioning Interstate 4R funds. These same provisions are included in H.R. 3129, introduced by Representative Anderson et al., in this session. S. 1498, introduced during the same session of Congress, also would have changed the Interstate 4R formula to include a factor not heretofore used.

- In this session of Congress, H.R. 3129 (Anderson et al.), S. 1488 (Chiles) and H.R. 1283 (Rowland) include major apportionment formula modifications.

In addition to these actions, the fact that most Federal-aid authorizations expire at the end of FY 1986 means that the Federal-aid program structure, including formulas for distributing funds, will be reconsidered to determine whether existing formulas meet today's program objectives and program objectives after completion of the Interstate System.

A General Accounting Office study requested by Senator Lawton Chiles is also presently underway to examine existing Federal-aid highway apportionment formulas and factors to determine the degree to which they meet the needs of growing States.

The FHWA has been and will continue to carefully analyze the formulas used in distributing Federal-aid funds to ensure that our legislative proposals and recommendations reflect methods that equitably meet highway needs on the Federal-aid systems.

Thank you for the opportunity to testify today at the field hearing in the beautiful State of Idaho. I look forward to receiving the views of today's witnesses, and I am sure our exchange will be beneficial for the Federal-aid highway program.

That concludes my prepared statement. I will be pleased to respond to your questions.

TESTIMONY BY

CARL C. MOORE
CHAIRMAN
IDAHO TRANSPORTATION BOARD

ON THE FUTURE OF THE FEDERAL-AID HIGHWAY PROGRAM

BEFORE THE TRANSPORTATION SUBCOMMITTEE

OF THE

SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE

COEUR D'ALENE, IDAHO

SEPTEMBER 28, 1985

INTRODUCTION

Good morning, Mr. Chairman and Committee Members. I am Carl Moore, Chairman of the Idaho Transportation Board. Welcome to beautiful Lake Coeur d'Alene in the great State of Idaho.

It gives me great pleasure to address on behalf of the Idaho Transportation Board the several issues raised by your subcommittee for the reauthorization of the Federal-Aid Highway Program. I will direct my comments to the critical highway transportation issues facing Idaho.

THE DIFFICULTY OF GENERATING ADEQUATE HIGHWAY FUNDING IN STATES WITH SMALL POPULATIONS AND LARGE LAND AREAS

Idaho, like many western states, has a large area (83,557 square miles) and small population (1 million). It is twice the size of Ohio with less than one-tenth the population. About two-thirds the total land in Idaho is owned and controlled by the federal government - thus, only a third of the land area is actually available for a population and tax base for funding highway improvements. The sparse population in such a large area does not provide an adequate tax base for highway needs, especially in a state where harsh winters, rugged mountains, and unstable geology make construction and maintenance costs abnormally high.

Idaho is rural in nature and is economically dependent on agriculture, timber, mining and tourism. The present downturn in those industries has severly impacted the economic base which is needed to finance the extensive network of highways. Consequently, the State and its counties and cities are experiencing financial crises in improving and maintaining their highways, roads, and streets.

Given such considerations, we support AASHTO's recommendation for a state-administered block grant program of funding for Highways of State and Local Interest for projects on the Federal-Aid Secondary and Urban systems, non-Primary bridges and highway safety. Block grant funds should be distributed on the basis that no state would receive less than its present apportionments under the several categorical programs. Further, the block grant program should allow that States are solely responsible for geometric design standards on Local systems. State and Local liability provides sufficient incentive for the States to use AASHTO design standards.

Finally, it is imperative, in Idaho's case, that the mileage-based formula for distribution of the Federal-Aid program be continued. Any change in formula to distribute funds on the basis of population would be devastating to Idaho.

FEDERAL LANDS HIGHWAY PROGRAM

As stated earlier, Idaho's economy is oriented towards agriculture, recreation and exporting natural resources. In recent years the State's economy has been negatively impacted by a lagging national economy, a strong dollar which limits exports, and subsidized foreign imports. With the vital industries of logging and mining hard hit by this combination of circumstances, it is imperative to provide greater Federal-Aid for Forest Highways and Public Lands to improve resource access and reduce transportation costs for shippers.

In Idaho, we are using Forest Highway and Public Lands Highway funds to build much needed, but costly, Forest Highways. But even with these funds, it will take more than ten years to complete improvement of only three presently scheduled Forest Highways through rugged mountainous terrain.

Certain much needed improvements, such as Forest Highway 9, Enaville to Thompson Pass, beyond the 10 Year program must compete with other future priority projects.

I also encourage reassessing federal regulations which are costly to logging and mining operations. Many of these outdated requirements are unsuitable for application in the present economic circumstances. The costs to harvest timber from our national forests must be reduced to offset the subsidized advantages given to foreign imports.

55 MPH SPEED LIMIT

On the Idaho Rural Interstate System 75.6% of the traffic is exceeding 55 mph but only 17.0% of the vehicles are exceeding 65 mph. The number of fatalities per year on the Rural Interstate System has stabilized for the past 5 years at a 45% reduction in fatalities from the base year of 1968.

On the other Rural Arterials of Idaho, 48.6% of the vehicles are exceeding 55 mph and 2.3% are exceeding 65 mph. On the Rural Major Collector highways, 39.4% are exceeding 55 mph with 8.0% exceeding 65 mph.

Fifteen percent of all injury accidents on the State Highway System are on the Rural Interstate while 32% of the State's law enforcement effort is on the Rural Interstate because of the volume of traffic and threat of Federal Sanctions.

If Congress continues setting speed limits, I would suggest revision of federal sanction formulas.

DIVERSION OF HIGHWAY USERS FEES FOR NON-HIGHWAY PURPOSES

We are alarmed at the trend in Congress to exclude certain motor fuels, such as gasohol, from taxation; consolidating former general fund programs, such as Forest Highways and Public Lands, under the umbrella of the highway trust fund; diverting highway users revenues to programs such as mass transit, and placing obligation limitations on authorized funds. The current estimated federal share of annual highway needs is estimated at 22 to 26 billion dollars. The current authorizations are only half that amount and obligational limitations reduce the authorized funding even more.

With that huge backlog of unmet needs, we urge elimination of all federal fuel tax exemptions for alcohol fuels. Regardless of the fuel used, all vehicles should contribute highway users fees to the Highway Trust Fund.

We are concerned over the transfer of 1.2 billion dollars of federal fuel-tax revenues to the Mass Transit Account. Currently, Idaho annually pays approximately 4.4 million dollars into the Mass Transit Account and receives back only 254,000 dollars. That is a serious disparity in a low-population, large-land-area state where highway needs greatly exceed the state's ability to fund them.

We support a formula distribution of revenues from the Mass Transit Account that would provide a more reasonable return by guaranteeing that no state would receive less than a one-half of one-percent minimum allocation. Each state should have the option to use the funds on transportation facilities other than transit according to its needs.

INTERSTATE COMPLETION

Passage of the Interstate Cost Estimate and Interstate funding authorization is essential to completion of the Interstate gap closure projects. The Coeur d'Alene East and Wallace projects on I-90 are vital to the integrity of the Interstate system. Contracts on the Wallace section are ready for bid advertisement. The fact that these contracts help provide jobs in an economically depressed area is further reason to avoid delay.

PRIMARY HIGHWAYS

Interstate and other Primary Highways form the trunk lines of Idaho's highway system. Several of these "Other Primary Highways" are nationally significant and of great importance to regional travel.

The recently completed Highway Users Federation's program review of the Idaho Transportation Department reported that Idaho faces the challenge of finding the funds to expeditiously complete the modernization of three key arteries: US 20 (between Idaho Falls and Montana), US 95 and US 12.

In eastern Idaho, work is well along to improve US Highway 20 from Idaho Falls to Montana. The remaining projects total 17.2 million dollars. Work is now needed to improve 44 miles of US Highway 20 from Idaho Falls westerly to the Idaho National Engineering Laboratory. The estimated cost for this improvement is 60 million dollars.

The total needs on US 95 amount to 175 million dollars. This highway is vital to the economic future of Idaho. Even though the Transportation Board is allocating all available funds to this important route, it has been able to schedule only 44 million dollars worth of improvements in its six-year program.

In southwestern Idaho, the extension of State Highway 16 from Emmett to Mesa is needed for north-south commerce. Traffic projections show that four lanes are needed on State Highway 55 in numerous locations in the 20-year design period, The extension of State Highway 16 from Emmett to Mesa would provide needed additional lanes to relieve the highly environmental-sensitive State Highway 55 corridor. This extension would also provide a shorter and faster route between North and South Idaho. The estimated cost of that work is 50 million dollars.

US Highway 12 is a critical east-west corridor serving recreation along the Clearwater River and commerce particularly to the Port of Lewiston. The ruggedness of the terrain and environmental issues dictate rehabilitation and minor improvement strategies for most of the route. The estimated highway needs are 22 million dollars. Projects totalling 7 million dollars are in the 6-Year Development Program.

Mr. Chairman, these are just a few of the significant major highway projects needed on the Idaho Primary System. We need to answer these needs with a far-sighted Federal-Aid highway program in the same way the Interstate Highway System was brought into being. We support a new highway system of national significance, providing the transportation access necessary for economic development of the State.

INTERSTATE 4R FORMULA

Highway systems of Idaho and other western States with large areas and sparse populations provide a "bridge" service between the populous eastern states and the Pacific Coast states. Unless these connections between east and west are well maintained, commerce and travel will be significantly affected.

Recent proposals in the House and Senate to change the Interstate 4R formula to a population basis disregard the national integrity of the Interstate Highway system. These proposals would produce disparities among the states that have to rehabilitate and maintain the system.

The extent of the system as measured by lane-miles must continue to be the predominant factor on the Interstate 4R formula if the western states are to continue maintaining the links between east and west. Placing this formula on a population basis would destroy this National Interstate Highway System.

BRIDGE REPLACEMENT AND REHABILITATION PROGRAMS

Many of the highway bridges in Idaho were constructed during the 1930s when large-scale federal public works programs made funds available. Many of these structures are now at the end of their service lives.

Idaho's current Bridge Replacement needs total 195 million dollars, yet Idaho receives only approximately 5 million dollars in federal funds each year for the replacement of bridges. These funds can be used for either the Federal-Aid system bridges or off-system bridges. The state or local share of bridge improvement costs is twenty percent.

Over the past several years, due largely to your efforts, Idaho has been successful in obtaining federal discretionary bridge funds to construct major bridges costing more than 10 million dollars. Idaho's Congressional delegation has been indispensable in obtaining these funds. The bridges that were constructed with discretionary funds are the new Snake River Bridge north of Twin Falls, Sandpoint Bridge and the Bonners Ferry Bridge. The most critical high-cost bridge remaining to be constructed with discretionary funds is the Oldtown Bridge on US Highway 2 at the Washington State Line. That bridge is in dire need of replacement and the estimated cost is double the State's annual Federal-Aid bridge apportionment. It has a federal rating factor of 3.2, and we urge your continued support to fund this bridge from the Bridge Discretionary program. We have, just this month, agreed to fund 2.0 million dollars of the total cost of 10,120,000 dollars out of regular Idaho Apportioned Bridge Funds in an effort to move this project forward.

Thank you for the opportunity to comment. I will be pleased to answer any questions you might have.

TESTIMONY FOR THE
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
TRANSPORTATION SUBCOMMITTEE
ON THE
REAUTHORIZATION OF THE FEDERAL-AID HIGHWAY PROGRAM

Presented by

Robert N. Bothman
Deputy Director
Oregon Department of Transportation

September 28, 1985

Mr. Chairman, I am Robert N. Bothman, Deputy Director of the Oregon Department of Transportation. I am most pleased to appear today on behalf of the department for the purpose of offering our views on the reauthorization of the Federal-Aid Highway Program.

The attention the subcommittee is giving to the funding and structure of the Federal-Aid Highway Program is appropriate. As currently structured, the program is in financial imbalance. Revenue projections from the Federal Highway Administration indicate the Highway Trust Fund will be insufficient to fund the program at current levels beyond 1989. At the same time, highway requirements at all levels of government continue to increase. In order to address the growing difference between program needs and available revenues, several actions are recommended.

Completion of Interstate System

The most important, we believe, is a rapid completion of the Interstate System in accordance with the 1990 completion goal established in the 1982 Surface Transportation Act. To assure this will occur, a final Interstate Cost Estimate, developed, adjusted, and administered by the Federal Highway Administration should be adopted.

Highway Trust Fund

Another necessary action is to bolster the integrity of the Highway Trust Fund.

One, the trust fund should be extended indefinitely to provide permanent, predictable and adequate funding.

Two, the gasohol exemption should be eliminated. This exemption will cost the trust fund an average of $.7 billion per year over the next decade. The purpose of the exemption was energy conservation; yet it drains money from the source of funding used to implement energy efficient transportation improvements. If federal energy policy dictates the retention of a fuel tax exemption, then it should be financed with general revenues.

Three, means of improving the cost effectiveness of federal highway investments should be considered. Toll roads is one means to do this. Another is to allow states to match federal funds at higher ratios.

Restructure Federal-Aid Program

As the Federal-Aid Highway Program moves into the post-interstate era, a new concensus on a common purpose for the program commensurate with federal revenue generation capabilities needs to be established. This will require a redefinition of the federal role in national highway programs.

We think this best can occur through the establishment of a system of highways of national significance. This system would serve interstate travel, connect principal metropolitan areas and major industrial areas, provide continuous and integrated statewide networks, and provide for higher levels of service and safety in handling heavier and larger capacity trucking. It should include the interstate system, primary system and bridges on all current federal-aid systems.

The Federal Highway Administration should be instructed to conduct a study in cooperation with the states on the comparison of these systems and how federal-aid funds should be apportioned in a fair and equitable manner for their development and preservation.

If significant increases in federal revenues sufficient to support the traditional program categories are not contemplated, then the study should reflect the need to simplify the federal program in order to ensure an efficient, timely use of available funds. Further, the study must be premised on a tightly defined classification scheme for "nationally significant" highways. Overly broad eligibility would be at cross-purposes with the need to maintain a high quality core system; other mechanisms such as discretionary funding and block grants exist for maintaining elements of equity and program flexibility.

It is Oregon's policy to place primary emphasis on preserving and maintaining the existing highway system. This policy reflects the importance of protecting the investment in the system for the state's economic health. Currently, on a highway deficiency basis, we have a $1.5 billion unfunded backlog of projects in our "Six Year Highway Improvement Program".

As Oregon's population grows and its economy diversifies, the highway system cannot remain static and unchanging in the years ahead; demands will be made for projects designed to accommodate or induce growth related to the development of the economy. To reconcile these competing demands, the state has instituted a $200 million highway modernization program, financed by additional state gasoline and weight-mile taxes. Priority is to be given projects encouraging economic development and receiving local commitment and financial support.

If full funding for the current federal-aid system categories will not be feasible, then the federal-aid program too must emphasize preservation. As such, provisions to accommodate needed system expansion may have to be more focused than the current categorized classification allows.

Interstate 4R Apportionment Formula

In the interim, highways likely to comprise a system of "national significance" must not be allowed to deteriorate. Maintaining at least current levels of Interstate 4R funding is important for states like Oregon. Our long segments of interstate highways were constructed with twenty year lives. With wheel loadings 50% above those originally forecasted, pavements are now wearing out on these highways. Further, in response to capacity problems, we need to add lanes to much of our urban mileage.

Therefore, we urge the current 4R apportionment formula with its reliance on lane miles and vehicle miles be retained. The apportionment formula proposed in HR 3129 (50% weight to vehicle miles of interstate travel, 25% to highway use of gasoline and 25% to highway use of diesel fuel) would reduce Oregon's funding $4 million per year in 4R funds at the 1986 authorization level.

Bridges

Bridges are a particular concern in our highway preservation efforts. For small states like Oregon the reconstruction of a major bridge represents a large discrete investment that can overwhelm a program. For instance, Oregon faces the replacement of series of large bridges on the Coast Highway, US101. At $40-60 million apiece each bridge can consume three to four years of the state's allocation of federal bridge replacement funds.

Knowing other small states face similar difficulties, we recommend the discretionary portion of the Highway Bridge Replacement and Rehabilitation Program be increased to $300 million per year. Further, we recommend the cost effectiveness of the discretionary fund be enhanced by having FHWA consider allowing states to "buy down" the federal cost of projects. For instance, for replacement of the Alsea Bay Bridge we believe that by using a combination of state and federal formula allocation funds we could complete that project. A provision enabling such a "buy down" would assist small states while allowing federal bridge funds to stretch further.

The Oregon Department of Transportation appreciates the opportunity to bring before the subcommittee some of our views on the Federal-Aid Program. We look forward to working with the subcommittee in ensuring the program's continued success.

STATEMENT OF

THE HONORABLE BILL SHEFFIELD
GOVERNOR OF ALASKA

and

THE HONORABLE WILLIAM J. JANKLOW
GOVERNOR OF SOUTH DAKOTA

on behalf of the

WESTERN GOVERNORS' ASSOCIATION

before the

SUBCOMMITTEE ON TRANSPORTATION

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

UNITED STATES SENATE

on

REAUTHORIZATION OF THE SURFACE
TRANSPORTATION ASSISTANCE ACT

September 28, 1985

in

Coeur d'Alene, Idaho

Dear Mr. Chairman:

We appreciate the opportunity to provide testimony on the behalf of the Western Governors' Association with respect to the future of the Fedeal highway program. Preliminarily, Mr. Chairman, we would like to thank you and the entire membership of the Senate Committee on Environment and Public Works for playing a leading role in procuring timely enactment of a clean, one-year Interstate Cost Estimate. That clean ICE approval allowed the Federal Highway Administration to promptly apportion to the western states over $975 million in Interstate construction funds, $29 million in Interstate transfer funds, and nearly $119 million in 85 percent minimum allocation funds.

Formulas

Mr. Chairman, our primary concern with future Federal highway legislation is with the formulas which govern distribution of Federal highway funds. We have several points regarding formulas.

First and foremost, we oppose proposals to change present formulas. We are satisfied to leave intact, for example, the current 4R formula, primary formula, and provisions insuring that each State receives at least one-half of one percent of Interstate construction and 4R funds.

More specifically, presently before your Subcommittee is S 1488, a bill which would create a "National System of Highways Program" by combining the Interstate 4R and primary highway programs and apportioning funds for such highways based on a new formula. The formula would allocate funds based on population, lane miles, and fuel consumption. Under this proposed formula, fourteen of the sixteen western states would lose funds (with a net loss to the region of $277 million annually).

A second bill, HR 3129, sponsored by the leadership of the Subcommittee on Surface Transportation of the House Commitee on Public Works and Transportation, would keep the 4R and primary highway programs separate, but would change the allocation formula for the 4R program. The current 4R formula equitably allocates funds based on each State's amount of Interstate lane miles and pavement condition, with the pavement condition factor represented by vehicle miles traveled in each State on the Interstate System (VMT). HR 3129 proposes to allocate 4R funds based solely on pavement condition as represented by three factors: VMT, gasoline use, and diesel fuel use. This formula change would result in fifteen of the sixteen western states losing funds, with a net annual loss to the region of nearly $225 million. Seven of those states would lose over half of their Interstate 4R funds, possibly endangering the ability of those States to maintain Interstate Highways within their borders.

Moreover, the Federal Highway Administration determined, after an exhaustive study required by the 1982 Surface Transportation Assistance Act, not to recommend any change in the 4R formula. This conclusion was again stressed in a letter from Secretary Dole to Congressman Howard on September 10, 1985. Additionally, that letter stated that the factors which HR 3129 would newly include in the 4R formula, gasoline used by motor vehicles on highways and diesel fuel used by motor vehicles on highways, "can only be estimated."

Second, we would like to emphasize that our opposition to proposed formula changes should be considered in light of the fact that recent changes in Federal highway funding statutes have been adverse to western states. As you know, through House action the 4R formula was changed in 1981 and the primary formula in 1982, with both changes being generally adverse to western states.

Third, let us return to one fact we noted earlier, that there is now some consideration being given in various quarters to restructuring the overall Federal-aid highway program, such as by combining the 4R and primary programs. While we do not see any pressing need for those changes to be made, our greater concern is that any such restructuring be combined with a funding formula which preserves the current share of overall Federal highway funds distributed to western states. For example, as noted above, we are concerned that proposals to restructure the present classes of highway systems in the Federal-aid highway program could be combined with a new formula as a "back door" means of revising the 4R and primary formulas.

Fourth, we would like to note that we in the West, where there is so much Federal land, are particularly concerned that any restructuring of highway programs not weaken the Federal lands highway program. The Federal lands highway program is critical to meeting access needs in areas that lack even a small population to provide funding for highway improvements. Large areas of many western states are owned and managed by the Federal government. Indian reservations also cover significant areas of some western states. To provide adequate access in and within national forests, Indian reservations, national parks, and other public lands requires continued funding for the Federal lands highway program. We urge the Congress to keep that program strong.

Completion of the Interstate System

The western states feel that one of the strengths of the Federal-aid highway program is that it provides all the States the financial wherewithal to respond to highway priorities established at a national level. The United States needs an interstate network of highways for many reasons, including economic growth and development, national defense, and interstate commerce. The financial ability to meet highway investment needs is particularly limited for States with large land areas and a small population base from which to generate user revenues.

Many of the western states serve as "bridge States" for the more populated areas of the nation. Often, many miles of area must be crossed by Interstate Highways simply to link metropolitan areas with each other and with the smaller cities and towns of this nation. Because these "links" serve the needs of interstate commerce and national defense, Interstate Highways are constructed to higher engineering standards than would be required for only local use. Federal financial support makes it possible to achieve the uniform and high engineering standards that characterize the Interstate Highway System and we urge continuing the Interstate construction and 4R programs at the highest reasonable level.

Flexible State Administration

We also take this opportunity to mention our view on questions regarding the administration of highway programs. As you know, administering a highway program is a significant task and many Federal requirements are imposed on the States in connection with the receipt and distribution of Federal highway funds. The Western Governors' Association feels strongly that, to the extent the Congress is faced with questions concerning the administration of highway programs, those questions should be resolved in favor of providing more flexibility to the States.

That concludes our remarks, Mr. Chairman. We appreciate the opportunity to comment on these matters of critical concern to western governors and thank you for chairing this hearing in a western state.

BEFORE THE
UNITED STATES SENATE
SUBCOMMITTEE ON TRANSPORTATION
OF THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

FIELD HEARING

SEPTEMBER 28, 1985
COEUR D' ALENE, IDAHO

Statement of the
HIGHWAY USERS FEDERATION OF ALASKA

FIELD HEARING ON THE
REAUTHORIZATION OF THE FEDERAL-AID HIGHWAY PROGRAM

T. J. THRASHER
VICE CHAIRMAN

Chairman Symms and members of the Subcommittee, I am T. J. Thrasher, Vice Chairman of the Highway Users Federation of Alaska. My remarks today are offered on behalf on the Alaska Highway User Group.

HUFA membership includes nearly every highway user in Alaska, we are represented by the General Contractors, the Alaska Trucking Association and suppliers and other interested parties.

I appreciate this opportunity to make a few remarks on the nation's highway program ... a program of vital importance to the defense of our nation and the continued economic development of our State of Alaska and our Nation.

We supported the goals set forth within the Surface Transportation Assistance Act of 1982. Those goals were to finish the Interstate Highway System, upgrade the system to handle today's traffic, increase capital investment in bridge repair and replacement, and improve rehabilitation of the other federal-aid highways.

We support an obligation level for the highway program that would stay within current tax levels and make the maximum possible investments, consistent with maintaining the integrity of the Highway Trust Fund.

Perhaps the first step which could be taken is to make the Federal Highway Trust Fund permanent, as long as highway user taxes are used for highway purposes, and assure the continuation of the Federal Highway Program.

The process of approving the Interstate Cost Estimates should be simplified and made reasonable. This could be accomplished by a provision in future legislation for administrative release of Interstate funds under which Congress would retain authority, but permit Estimates to move forward quickly if Congress failed to act. Last year many states suffered delays in construction starts from one to 16 weeks for each week the ICE bill went unsigned.

There will never be enough money at any level of government to do all the things that need doing. The Federal-aid highway program recognized this fact and limited the program to cover only one fifth.

of the country's roads that carry four-fifths of the traffic. In considering the long-term nature of the program it may be necessary to make further adjustments in the federally-funded system to assure that the essential Federal role is carried out well. The completion and rehabilitation of the Interstate System should be a major aim of the federal highway program. Of equal importance is upgrading the System to assure a high level of service to vehicle users---the essence of the Interstate 4-R program. The Interstate System and the Primary System will constitute the majority of Highways of National Significance and a study must be made of federal-aid primary and federal-aid secondary routes which are major connectors so that the federal highway system truly performs the function of facilitating interstate traffic.

The purpose of Federal aid is clear...the achievement of high levels of travel service on the most important streets and highways of our nation.

In keeping with this limited Federal role is the continuation of funding for bridge replacement and rehabilitation on the Federal-aid system. The bridge needs on these systems are well documented. Funding is also justified for selected highway safety programs that have been grouped into the hazard elimination program. This program helps maintain the priority of traffic safety within many highway agencies. While safety is a prime consideration in many highway decisions, the visibility of this program assures that all states support distinct, targeted safety efforts.

Continued funding for research is important. One of the ways the traveling public will get the roads it needs at a price it can afford is through the more effective use of people, equipment and materials. A wide range of research efforts is under way or proposed, particularly through the Strategic Highway Research Program which holds some promise of getting the greatest return for our investment. The Long Term Pavement Performance Study will give highway designers far better information on which to base their pavement designs.

Continued funding is also justified for selected highway safety programs that have been grouped into the hazard elimination program. This program helps maintain the priority of traffic safety within many highway agencies.

We support the 55 MPH speed limit. We support the need to strengthen the capabilities of the Bureau of Motor Carrier Safety in the Department of Transportation.

We encourage the continuation of the present allocation of funds, particularly for the Western States with large areas to cover and small populations.

Knowing that we need to continue many of these programs and anticipating that highway construction costs, including repairs, will continue to escalate, perhaps we need to look at the justification for excusing certain highway users from paying their share of user fees in order to support some other national purpose. The most serious exemption from user taxes is for gasohol. This exemption drains over a third of a billion dollars a year from revenues for highway improvement. Whatever the merits of subsidies for gasohol development, there is no justification for providing a subsidy by excusing gasohol users from paying their full share of the costs of building the roads on which they travel.

Federal mass transit support policies should be re-examined with the intent of phasing out operating subsidies. A General Accounting Office report said the availability of federal operating subsidies has reduced local government initiatives to improve transit efficiency. Highway user taxes should not be used as a source of additional transit funds. The continued use of highway user tax funds for non-highway purposes threatens the nation's mobility . With the bottom line being the public's unwillingness to pay taxes on motor vehicle related products at a level far above those on other products.

Finally, a highway program that is specific and shows that it can keep pace with the changing shape of the nation and our economy will earn the greatest possible support.

Thank you very much.

STATEMENT BY

THOMAS A. CALLAGHAN, JR.
ALLIANCE FOR SIMPLE, EQUITABLE AND RATIONAL TRUCK TAXATION

FOR HEARINGS ON

THE EXTENSION OF THE FEDERAL AID HIGHWAY PROGRAM

BEFORE THE
TRANSPORTATION SUBCOMMITTEE
OF THE
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

COEUR D'ALENE, IDAHO

September 28, 1985

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The Alliance for Simple, Equitable and Rational Truck Taxation (ASERTT) is an organization of trucking companies, truck leasing companies and suppliers to the trucking industry who have joined together to work for a more sensible system of motor carrier taxation and highway finance. We welcome the opportunity to participate in these hearings on the extension of the Federal-aid highway program.

Our Federal-aid highway system totals 835,000 miles. This system is the right-of-way over which America moves. The construction, maintenance and repair of this system is a multi-billion dollar per year business requiring cooperative activity by local, State and Federal officials.

ASERTT testified before this committee on July 11, 1985 on the extension of the Federal-aid highway program. In that testimony, we discussed the broad subjects of user financing and the State/Federal characteristics of the highway program. We would like to take this opportunity to address in greater specificity our concerns with the direction of the highway program.

Our highway system is one of the few things that government does that is funded by the immediate beneficiary -- the highway user. Unfortunately, the full paying highway user is not getting dollar value for dollar paid.

The full paying highway user (like the commercial motor vehicle operator) is being asked to pay for his own share of highway use plus the share of those who are exempted from some or all highway taxes. The full paying highway user is being asked to pay for his own share of highway use plus subsidize the transportation needs of mass transit riders. The full paying highway user is being asked to pay for his own share of highway use plus underwrite social and economic policy initiatives like the Disadvantaged Business Enterprise Program, the Davis-Bacon Act and the Buy America Act.

The motor carrier industry is in the business of providing transportation services to shippers of freight, many of whom are free to ship their freight by another mode. In order to provide the best possible service to their customers at the lowest possible price, motor carriers purchase labor and equipment in the competitive marketplace at the best price available. Motor carriers and others purchasing highway services from the government have every right to expect that the government, itself, will behave in a similar way -- it will charge all highway users in accordance with their use; it will use highway user revenue for highways only and; it will get the best labor and the best material at the most competitive price available. Anything less than that puts commercial highway users at a competitive disadvantage to other transportation modes and hastens the day when additional taxes will be required.

In order to restore rationality and integrity to our user pay system of highway finance we recommend to the committee a six point program:

1. We should end all exemptions from highway use taxes. At the Federal level, exemptions from highway use taxes granted to buses, vehicles owned by state and local governments, consumers of gasohol and others cost the Highway Trust Fund over $1 billion per year. This is money that rightfully belongs in cement and asphalt. All highway users should pay their way; there should be no exceptions.

2. Highway user revenue should be used for highways only. Presently at the federal level $1.2 billion per year in highway user revenue is diverted to mass transit. This money rightfully belongs in cement and asphalt. If it is our policy to subsidize the transportation needs of subway riders, all Americans should pitch in through the general fund.

3. We should stop trying to make social policy with highway user revenue. Presently, ten percent of all Federal-aid highway funds at the Federal level must be spent with disadvantaged business enterprises. Labor rates on Federal-aid highway projects must be paid in accordance with the Davis-Bacon Act. Materials purchased for highway construction must have domestic origins.

   Each of these provisions drives up the cost of highway construction. The Federal Highway Administration estimates that the Davis-Bacon Act alone imposes up to a half billion dollars per year in excess costs on highway users.

   If it is our public policy to come to the aid of organized labor, domestic industry and disadvantaged businesses, all Americans should bear the burden through the general fund.

4. There should be a general revenue appropriation to supplement the Highway Trust Fund to reflect the value of our highway system to the nation as a whole and recapture the value of prior exemptions and diversions. Our highway system, like other public works projects, benefits more than the immediate user. Its benefits to the country as a whole should be reflected in a general revenue appropriation.

5. End the twelve percent Federal excise tax on the retail purchase price of a new truck. This tax is totally unrelated to highway use and, therefore, has no rational basis. The revenue that would be lost if we were to repeal this tax would be totally recaptured by ending the diversion of highway user revenue to mass transit.

6. The conclusions of the Federal Highway Cost Allocation Study should be reexamined. Part of the revenue that the Department of Transportation is requesting for long term research should be earmarked to investigate specific findings of that study.

In recent days, we have heard that existing taxes feeding the Highway Trust Fund are not producing the amount of revenue that was originally projected. Accordingly, consideration is being given to cutting the program -- in other words, putting less money into cement and asphalt.

We would respectfully suggest that there is another alternative. We would respectfully suggest that the Congress should act now to restore rationality and integrity to our user pay system of highway finance and thereby assure that highway users receive a dollar in highway value for a dollar in highway tax.

The highway program is a business -- a big business. It's time to run it like a business.

IDAHO
HIGHWAY USERS
CONFERENCE

STATEMENT OF POSITIONS

before

TRANSPORTATION SUBCOMMITTEE
ENVIRONMENT AND PUBLIC WORKS COMMITTEE
UNITED STATES SENATE

September 28, 1985
Coeur d'Alene, Idaho

Idaho Highway Users Conference is an association formed to represent, on a statewide basis, the broad interest of the public in our state in matters related to highways and highway use. Our membership is drawn from all quarters of the state and includes both users and operators of private and commercial passenger vehicles; agricultural, private and commercial freight carriage and public highway agencies.

We thank the Subcommittee for enabling us to appear and present these views as we are seriously concerned with the posture of Federal Aid highway program legislation at this time.

Idaho is a state with interests similar to other western states. It is a state with an economy based on Agriculture; Food Processing; Forestry; Government; Hi-Tech, Light and Machine manufacture; Mining; Livestock and Service Industry. In many respects it is a microcosm of the nation.

But, like each individual state, it has differences which are unique to itself and to the region in which it is found. Idahoans, like other westerners operate their private vehicles a significantly greater number of miles each year than those of a national average. Our fields, forests, mines and plants produce abundantly and, because of the distance to both our own national population centers and those of the world, these products must be transported great distances to a point of sale. Efficient access to market is vital to the health and survival of our economy. Beyond this, our own highways are an important bridge for the east-west flows of commerce just as vital to our sister states. Concerns related to personal driving safety together with concern with cost of shipping on on-time delivery of undamaged products insure that the conditions of our highways are never far from our conscious thought.

We, like the rest of the nation, are total transportation service users. Air, Barge, Bus, Passenger Car, Railroad and Truck use is key in our daily life. National statistics show average passenger vehicle mileage is climbing and climbing even higher in the west. Statistics recently compiled by Transportation Policy Associates (TPA) a Washington, DC based firm specializing in the collection of such data, indicates the reliance on the highways for freight haul nationally, also is growing.

TPA, in a report summarized in Traffic World (August 26, p. 35) found that, based on the nation's freight bill, shippers paid:

	1980	1984
Intercity, ICC Certificated Trucks...	20.2%	19.0%
Intercity, ICC Exempt Trucks.........	24.2	25.0
Local Service Trucks.................	28.4	31.9

Indicating the truck share of 72.8% of the total freight bill in 1980 had increased to 85.9% in the last four full years.

In those same years Railroad Freight decreased from 13.0% in 1980 to 10.9% in 1984.

Thus we see Idaho life style and livelihood increasingly oriented to highway conditions and the adequacy of our federal and local highway programs. We are alarmed, in some ways, at what we feel may be a growing lack of the same perception at a national level and believe:

- INTERSTATE COST ESTIMATE (ICE), clean and unencumbered should be approved immediately to avoid repetition of the unfortunate circumstances encountered last Fall. Separate, specific legislation might be the best means.
- There is a common and all embracing national interest in continuing a Federal Aid highway program. Reauthorization of the program should be given a priority by Congress.

- The Highway Trust Fund should be continued on a permanent basis and federal fuel taxes should be reauthorized. Funds should be allocated to the states for maintenance of inter and non-interstate systems and other local highway needs. Current minimum state entitlements should be maintained.

- Both present and future federal highway programs should be dedicated only to the national and local highway interest. Non-highway mass transit programs, if required in the public interest, should not burden Highway Trust Funds.

- The Highway Trust Fund should be committed fully each year to use in the program for which it was generated. The only reserve should be an amount appropriate to insure fiscal integrity of the fund.

- Completion of the interstate system in the allotted time should be assisted by Congressional allocation of necessary funding. The remaining tasks are now fully defined and the costs are fixed in a predictable range. US DOT should be capable of supplying Congress with an acceptable plan for scheduling expense to fund availability.

- The mandatory 55 MPH speed limit should be eliminated to permit legal operations over non-congested highway segments. Speed limits to be fixed on such highways should be established at the state level in reflection judgements based on expert knowledge of highway condition, design, hazards and such concerns. Regional state compacts may have a role in establishing consistent and uniform safety criteria.

- Withholding federal highway funds from states as a sanction for perceived non-compliances with Clean Air Standards, enforcement laxity of national speed limits, minimum drinking age and the like is a threat to public safety. How can such an action be justified if even one person is crippled or killed because a needed highway or street improvement was not made because funds had been withheld?

STATEMENT
of the
WASHINGTON HIGHWAY USERS FEDERATION
before the
TRANSPORTATION SUBCOMMITTEE
ENVIRONMENT AND PUBLIC WORKS COMMITTEE
UNITED STATES SENATE

SEPTEMBER 28, 1985
COEUR D'ALENE, IDAHO

The Washington Highway Users Federation is a broad, statewide coalition of businesses, industries, trade associations, agricultural interests, governmental agencies and individuals with economic and social interests in continued safe and efficient highway transportation. Our members comprise the major producers and consumers of Washington's highway transportation products and services.

We sincerely appreciate this opportunity to present the views of our members on the essential elements which should be included in legislation reauthorizing the Federal-aid highway and safety programs.

INTERSTATE COST ESTIMATE (ICE)

Before discussing Federal program reauthorization, we want to first urge the Committee and Congress to totally separate approval of the new unencumbered Interstate Cost Estimate (ICE) from reauthorization of the highway program as now contained in Senate Bill (3129). Congress should quickly pass and forward to the President a final Interstate Cost Estimate and move on to the equally important task of reauthorizing the Federal-aid program.

Delay in ICE approval in previous years has led to dramatic slides in construction schedules of Interstate projects in Washington State, compounding an already serious unemployment situation in the construction industry and slowing further economic recovery.

We believe a final Interstate Cost Estimate is possible and is certainly needed. The projects across the nation yet to be built are well-known and identified and the estimated final costs for completion are predictable. Since the deadline for withdrawals has passed, states will no longer be allowed to withdraw and substitute segments from the System. Allocating the funds necessary to complete the Interstate can and should be done by administrative procedures within the U.S. Department of Transportation, with appropriate Congressional review if needed. Congress should act as soon as possible to eliminate all possible future political turmoil from this vital and non-political issue.

INVESTMENT LEVELS FOR THE FEDERAL-AID HIGHWAY SYSTEM

The members of the Washington Highway Users Federation are pragmatic, hard-nosed business people. We know that it is an economic necessity to invest in our states, and our nations, highways. The State of Washington clearly recognized that need when the Legislature increased our own gasoline tax in 1983.

We have reviewed the required capital investment levels for the Federal-aid Highway System as reported by AASHTO in their new study, "A New Focus for America's Highways." The AASHTO report indicates that over the nine-year periods from 1987 through 1995, required Federal capital investments to preserve the Federal-aid System should be from $21 to $23.5 billion on an annual basis.

We urge this Subcommittee and the Congress to approve a capital investment authorization program at the maximum level which current Highway Trust Fund revenues will support. We believe that level to be in the $15.5 billion range through 1990, which would maintain an appropriate cash balance for the integrity of the program.

We urge you to reject the suggested highway program obligation levels recently advanced by the Administration and the Senate. Clearly, Highway Trust

Fund revenues can support obligations in excess of the average $13.25 billion annual projected revenues. Withholding needed Highway Trust Fund dollars will not reduce the federal deficit -- these are dedicated user fee revenues which have already been collected, have accumulated in the Highway Trust Fund and which should be returned to the economy through investments in the nations highways. We strongly support and urge this Committee to approve an authorization level in the $15.5 billion range and forward to the full Congress.

PROGRAM MODIFICATIONS

To expedite completion of the Interstate Highway System and to help achieve the 1990 deadline for completion under current law, the WHUF recommends legislative changes to adopt the following program modifications:

- Delegation of authority to the department of transportation to release interstate construction and interstate substitute funds on October 1 each year based upon the last-approved cost estimates.
- Exemption of obligations of Interstate completion funds from the obligation ceiling governing Federal spending for highways, but with no accompanying reduction in obligation authority available for other highway program spending.
- Expansion and liberalization of the ACI program to spread the cost of converting advanced projects over several years, to allow interest on bonds incident to ACI construction to be repaid on the same basis as other project costs, and to allow use of interstate discretionary funds for projects advanced under the program. Where applicable, and to the extent practicable, these recommendations should apply also to Interstate Highway substitute projects.

PROGRAM EXTENSION AND ASSURED FUNDING

The Highway Trust Fund should be extended indefinitely and made permanent. This would ensure completion of the Interstate system, provide for its reconstruction and rehabilitation, and furnish a dedicated funding source for other urgently needed non-Interstate reconstruction, modernization, preservation and expansion programs. Any future modifications to the Highway Trust Fund should not be undertaken without consideration of the highway needs of the nation, the tax base required to support those needs, the impact on the states, and the appropriate highway cost allocation among the users of the system.

WHUF strongly supports retaining the minimum apportionment per state of one-half of one percent of total interstate funding. Discretionary funding programs for interstate completion and interstate substitute projects are important and effective investment tools. Continuation of an assured source of reimbursement for funds that states use to pre-finance costs under the Advance Construction Interstate (ACI) provisions of law is essential to timely system completion.

EXEMPTION FROM ANNUAL OBLIGATION CEILINGS

WHUF supports the AASHTO recommendation to eliminate obligation ceilings on the Federal-aid Highway Program. Removal of the Highway Trust Fund from the Unified Budget would eliminate the need for obligation ceilings on the highway program.

However, if Congress, for other reasons, continues to place obligation ceilings on the Federal-aid Highway Program, then, obligations of Interstate construction funds by the states should be exempt to spur Interstate completion.

DIVERSION OF FUNDS

On the heels of independent studies by both AASHTO and the Federal Highway Administration projecting real investment needs of $21 billion per year to complete and preserve our Federal Highway System, WHUF is dismayed at the increasing trend to divert highway taxes to other uses, and not just transit. The diversion to transit purposes does not contribute to the completion of the Interstate system or enhance "4R" program work. Transit funding should be provided by general fund appropriations to the extent that transit subsidy is of significant national concern.

Equally dismaying is the loss of nearly $400 million each year to the Trust Fund through the tax exemption enjoyed by Gasohol. Subsidizing the gasohol industry may well be sound public policy to decrease our dependence on foreign energy supplies. But, we do not believe that gasohol subsidization at the expense of the nation's highways and bridges is sound public policy and the Highway Trust Fund cannot afford it.

Therefore, if gasohol subsidy is to be continued, that subsidy whould be provided from general fund revenues, not the Highway Trust Fund. A vehicle powered by gasohol contributes to the wear and tear of our highways and bridges just as much as a gasoline or diesel vehicle. Both vehicles should pay their fair share of highway user fees. The gasohol exemption should be repealed.

Other public policies also impose funding restrictions for highway spending. From Clean Air Act sanctions and speed limit compliance "hammers" to minimum drinking age provisions, Congressional reliance on the withholding of highway funds to secure actions in the states is counter-productive to effective highway policy and should be brought to an immediate end.

DISTRIBUTION FORMULA

WHUF supports maintaining the current distribution formula throughout the life of the reauthorization bill in its present form. Until we have completed the Interstate System, we should not revise the distribution formula. Once completed, or completion is imminent, Congress can then begin to effectively discuss a revised distribution formula to implement post-Interstate priorities.

INTERSTATE "4R" PROGRAM

Growing requirements for Interstate Reconstruction (4R) in Washington State, and in many other states, especially in the West, make it imperative that the Interstate "4R" program be continued and adequately funded in future highway legislation. There has been a decided improvement in "4R" program work as a result of the Surface Transportation Assistance (STAA). Deterioration is being reversed but the process has only begun. Highway users are already looking to the improved levels of reconstruction which can be brought about in a post-Interstate program. For the present, funds for "4R" work should be continued at the current level of $3.2 billion each year.

LOCAL SYSTEMS PROGRAMS

WHUF perceives the present Federal Aid Secondary (FAS) and Federal Aid Urban Systems (FAUS) to be integral parts of our nation's Surface Transportation System - vital collector/distributors for the Interstate and Primary Systems. These two local systems have far worse accident and fatality rates than either the Interstate or Primary Systems. These two local systems have been brought up to Federal design standards at a rate much slower than the Interstate and Primary Systems. The latest AASHTO study indicates that the combined FAS and FAUS needs are almost 30% of the total Federal Aid System needs while the present level of funding is less than 15% of the total program.

The funding for off-system bridges, and for highway safety other than construction has been of great value to hard-pressed local governments which often have no other source of funding for badly needed projects in these categories. These vital safety programs must not be eliminated until all structurally deficient bridges have been replaced or rehabilitated, and until conditions at high hazard locations have been corrected. WHUF therefore supports continuation of funding for the existing FAS, FAUS, Off-System Bridge and Highway Safety Programs at a level no less than the existing percentage of total available funds.

WHUF also supports a state administered local systems block grant program for those states willing to guarantee no less than the same percentage level of funding to all local jurisdictions as presently provided.

HARMFUL IMPACT OF DBE QUOTA REQUIREMENTS

Section 105(f) of the Surface Transportation Assistance Act of 1982 was enacted without an adequate understanding of the availability of DBE firms or the time required by such firms to develop expertise in the types of transportation construction work authorized by the Act.

Many problems are being encountered in the implementation of Section 105(f), including project delays and extra costs similar to those documented by the General Accounting Office in its study of the 10 percent minority business enterprise requirement of the Public Works Employment Act of 1977.

Because of the manner in which the Department of Transportation is dictating that the states implement Section 105(f), contractors bidding on Federal-aid transportation construction projects must meet or exceed DBE goals before they will be awarded the contract; i.e., Section 105(f) is being implemented as a quota program.

Because Section 105(f) is being implemented as a ten percent quota requirement; because only ten percent of a highway contract is normally subcontracted by the prime contractor; because the type of work which is normally subcontracted is in specialty areas such as lanscaping, guardrail installation, fencing, striping and signing; and because the overwhelming majority of DBEs exist in these specialty areas, which require minimal initial capitalization, Section 105(f) is threatening the very existence of many small non-minority specialty subcontractors in every region of the country.

For all of these reasons, WHUF urges that no DBE quota or goal requirements be contained in the 1986 Surface Transportation legislation.

NATIONAL MAXIMUM 55 MPH SPEED LIMIT

The national speed limit was put into effect as a fuel conservation measure. It had two positive effects: it saved lives and it saved fuel. But, it just isn't practical for every road in the U.S. Although a good speed for many areas, the 55 m.p.h. speed limit is unreasonably low for many lightly traveled, rural highways which were designed for faster speeds.

Studies suggest that this law is unjustified. A recent National Research Council (NRC) report showed that higher speed limits on some highways may be justifiable because of improved highway conditions and commitment to highway safety shown by drivers and car manufacturers alike. Moreover, deaths on the nation's highways have decreased dramatically even though more than 75 percent of American drivers are exceeding the speed limit.

There is no way legislators in Washington, D.C. can determine one safe speed for roads across the country. That decision should be made by authorities who are familiar with the road and weather conditions for each particular highway. When three-quarters of the driving population acknowledges by their actions that the 55 m.p.h. speed limit makes no sense on many highways, it's time we stop and reconsider the practicality of the law.

Withholding federal funds to insure compliance of a Federally-mandated speed limit is an undesireable method of encouraging state enforcement. WHUF supports returning the responsibility for establishing safe speed limits on highways to the individual states and eliminating federal sanctions to insure compliance.

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STATEMENT OF
PATRICK H. HALSTEAD
ASSOCIATE DIRECTOR
WASHINGTON RAILROAD ASSOCIATION
BEFORE THE
SUBCOMMITTEE ON TRANSPORTATION
OF THE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE
CONCERNING
REAUTHORIZATION OF THE
SURFACE TRANSPORTATION ASSISTANCE ACT

SEPTEMBER 28, 1985

My name is Patrick Halstead, and I am the Associate Director of The Washington Railroad Association, based in Seattle. I am appearing here today at the request of the Burlington Northern Railroad on their behalf and on behalf of the Union Pacific System, which I also represent.

I appreciate the opportunity to appear before the Subcommittee and to present the views on a subject of importance not only to the railroad industry, but also to the highway traveler -- safety at highway-railroad crossings.

The Congress, and particularly this Subcommittee, has clearly and effectively expressed its concern about the national problem of highway--railroad crossing safety by the inclusion of Section 203 within the Highway Safety Act of 1973, authorizing the Federal-Aid Highway-Railroad Crossing Improvement Program, and the reauthorization of the Section 203 Program in subsequent Federal highway legislation.

The Section 203 Program is presently authorized at a level of $190 million a year through fiscal year 1986 for projects to eliminate hazards at highway-railroad crossings on public roads. Ten percent (10%) of the cost of such projects is paid by the appropriate state or locality, or in many cases the railroads themselves. Through fiscal year 1984 there have been $1.45 billion in Federal Section 203 funds available for crossing improvements and $1.33 billion, or 92 percent of that amount, have been obligated. In fact, in fiscal year 1984 alone over $244 million in Section 203 funds were obligated.

This expenditure represents the physical improvement or elimination of over 5,600 highway-railroad crossings identified by state highway officials as being particularly hazardous locations.

While we speak, of necessity, in terms of federal dollars, the importance of the Section 203 program is found in the direct improvement in highway-railroad crossing safety. Experience since the creation of the Section 203 Program dramatically reveals that this Program is one of the most successful and effective transportation safety efforts devised to date.

Attached to my testimony, for the Subcommittee's convenience, are detailed statistics concerning highway-railroad grade crossing safety over the past decade. To highlight, in calendar year 1984 there were almost 600 fewer people killed in accidents involving motor vehicles at public highway-railroad crossings than in 1974, when the Section 203 Program began. In fact, when we normalize public grade crossing accident and casualty statistics using a calculation of potential motor vehicle/train exposure, between 1975 and 1984 the rate of such accidents has been reduced 49 percent, injuries 37 percent, and fatalities 40 percent.

While this record of success in improving highway-railroad grade crossing safety is certainly impressive, there remains significant work to be done in this area. The states and railroads must continue to jointly focus on needed safety improvements at the most hazardous crossing locations; there is also a great need to emphasize upgrading and replacing existing active grade crossing warning devices, many of which have been in place for

15, 20, or 30 years. These devices must be evaluated in the light of significant warning device technological improvements, and substantial changes in railroad operational characteristics at many crossings. In addition, we believe, there is an increasing need to evaluate highway-railroad crossings utilizing what might be called a systems approach. As an example, a most effective use of Section 203 funds could be made by examining all crossings in a community or other geographic area, or along a several mile railroad corridor, and then implementing a single multi-crossing improvement project. The crossing improvements completed in such a project might include warning device installation or upgrading, and grade separations, but also, as appropriate, other low cost improvements such as crossing illumination, quadrant clearance, highway rumble strips, and even crossing closure. Such an approach has been used in a few instances and the results seem to substantiate the safety and cost effectiveness of these multi-crossing systems improvement projects.

The reauthorization of the Section 203 Program, as it is presently structured, is essential.

Let me now briefly mention two related areas of concern to the railroads. During the past 10-15 years there have been dramatic physical and operational changes in all transportation modes. These changes are operational and organizational in nature and have significant implications --most of them positive--relating to transportation safety. We witness this in the statistics for the various modes over this period. But we should not be satisfied with a quick, congratulatory analysis.

During 1971 and 1972 the first complete investigation and study of the problem of providing increased safety at highway-railroad crossings was conducted by the U. S. Department of Transportation. The results and conclusions of that study led to the initial authorization of the Section 203 Program. Now, nearly 15 years later, we believe it is appropriate for Congress to again direct that the Secretary of Transportation conduct a comprehensive study and investigation of national highway-railroad crossing improvement and maintenance needs. Such a study should include an assessment of highway and railroad needs relating to crossing safety and capacity, and the needs of both the affected communities and the transportation sector. Additionally, the feasibility of addressing these needs on a corridor or system basis should be more fully examined, and the appropriate responsibility of highway and railroad authorities, respectively, in addressing these needs in a comprehensive yet cost effective manner determined. This study should be completed within a 2-2 1/2 year period and the results made available to the Congress for consideration in conjunction with subsequent Federal-Aid Highway Program reauthorization.

Finally, let me address another issue of concern to the railroads and state transportation agencies in their implementation of the Section 203 Program. States and railroads presently compile information on individual highway-railroad crossings in order to identify potentially hazardous crossing locations. This information is then used by the states to plan and program Section 203 Program improvements projects. Frequently such information, in the form of survey and reports, has been used by attorneys representing plaintiffs in trials involving highway-railroad crossing accidents. As a result of this practice, states have understandably been reluctant to identify hazardous situations on a priority basis because of exposure to potential liability. Railroads, as well, have been cautious in supplying information to the states to be used in identifying hazardous crossings. These reports and surveys are developed in good faith to aid in the effective implementation of the Section 203 Program and should not be permitted to be used against states or railroads in personal injury or property damage litigation.

In order to remedy this serious situation and its adverse consequences on the effective implementation of the Section 203 Program, we believe it is important that the Congress adopt appropriate provisions prohibiting the use of any such highway-railroad crossing information, survey, or report as evidence or for any other purpose in any action in federal or state court.

Once again let me express my appreciation for the opportunity to testify today before this Subcommittee. Highway-railroad crossing safety is of the highest importance to the railroad industry. We have and will continue to work closely with highway interests in a joint effort to eradicate casualties at grade crossings. Our success over the past decade in this national effort is a dramatic tribute to the success of the Section 203 Program - I urge its reauthorization.

I would be pleased to answer any questions of the Subcommittee, or to provide any additional information for the record as appropriate.

HIGHWAY-RAILROAD MOTOR VEHICLE FATALITIES AT PUBLIC CROSSINGS

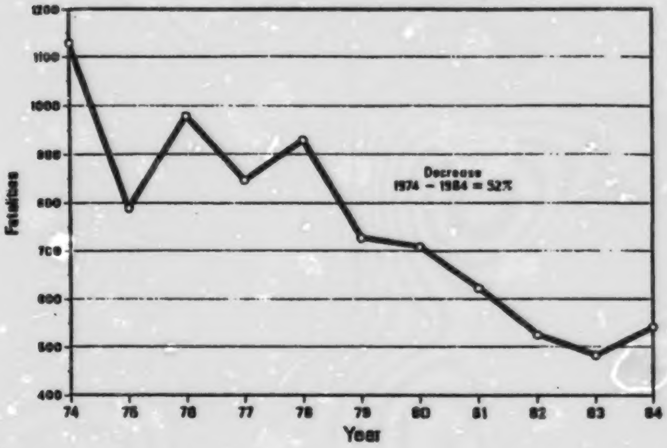


TABLE 1

HIGHWAY-RAILROAD MOTOR VEHICLE FATALITIES AT PUBLIC CROSSINGS

YEAR		FATALITIES
1974		1,128
1975		788
1976	52%	978
1977	Decrease	846
1978		929
1979		727
1980		708
1981		623
1982		526
1983		483
1984		542

SOURCE: FRA Rail-Highway Crossing Accident/ Incident and Inventory Bulletin.

HIGHWAY-RAILROAD MOTOR VEHICLE INJURIES AT PUBLIC CROSSINGS

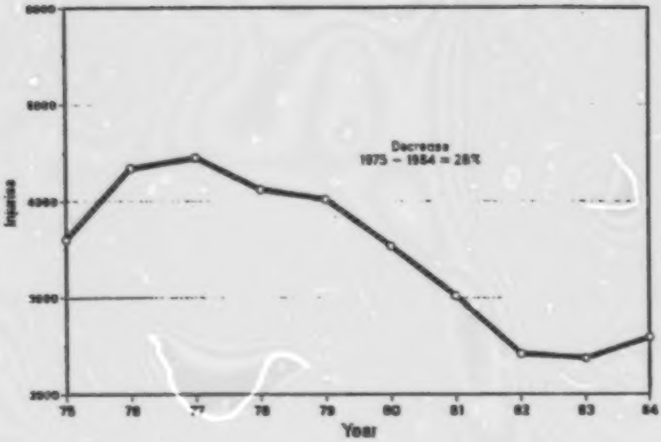


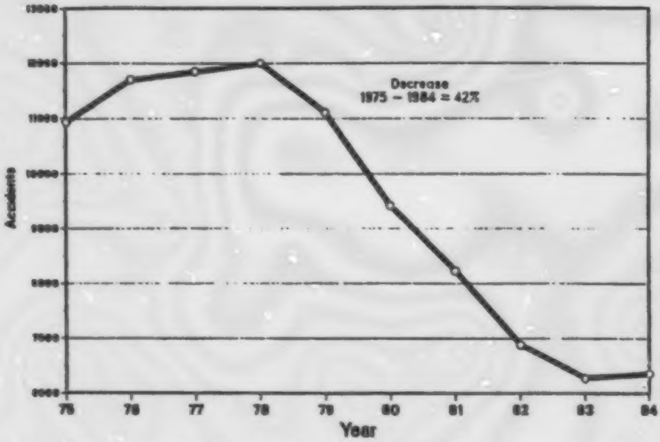
TABLE 2

HIGHWAY-RAILROAD MOTOR VEHICLE INJURIES AT PUBLIC CROSSINGS

YEAR		INJURIES
1975		3,600
1976		4,343
1977	28%	4,455
1978	Decrease	4,120
1979		4,019
1980		3,534
1981		3,020
1982		2,417
1983		2,372
1984		2,591

SOURCE: FRA Rail-Highway Crossing Accident/Incident and Inventory Bulletin.

HIGHWAY-RAILROAD MOTOR VEHICLE ACCIDENTS AT PUBLIC CROSSINGS



Note: 1974 Not Shown Due To Change in FRA Reporting Criteria.

TABLE 3

HIGHWAY-RAILROAD MOTOR VEHICLE
ACCIDENTS
AT PUBLIC CROSSINGS

YEAR		ACCIDENTS
1975	↓	10,925
1976		11,700
1977	42%	11,849
1978	Decrease	11,999
1979		11,108
1980		9,422
1981		8,232
1982		6,882
1983		6,272
1984		6,359

SOURCE: FRA Rail-Highway Crossing Accident/
Incident and Inventory Bulletin.

TABLE 4

FREIGHT AND PASSENGER TRAIN MILES

YEAR		TRAIN MILES
1974		534,039,763
1975		468,321,148
1976		491,057,525
1977	23%	493,890,675
1978	Decrease	497,134,000
1979		499,514,000
1980		488,948,812
1981		*467,614,668
1982		*401,374,432
1983		*388,534,905 (Rev).
1984	↓	*411,070,321

SOURCE: AAR Statistics of Railroads of Class I.
*ICC R-1 Report, Schedule 755, Line 9 for 1981 and Line 7 for 1982 - 1984.
(Includes Amtrak and Long Island Railroad)

TABLE 5

ALL RURAL AND URBAN ROADS/SYSTEMS VEHICLE MILES

YEAR		VEHICLE MILES (MILLIONS)
1974	↑	1,282,790
1975		1,330,074
1976	35%	1,409,163
1977	Increase	1,466,000
1978		1,548,231
1979		1,529,133
1980		1,520,857
1981		1,553,969
1982		1,592,000
1983		1,650,000
1984		1,726,686

SOURCE: FHWA "Highway Statistics", Highway Statistics Division, Office of Highway Planning.

POTENTIAL EXPOSURE AT HIGHWAY-RAILROAD CROSSINGS

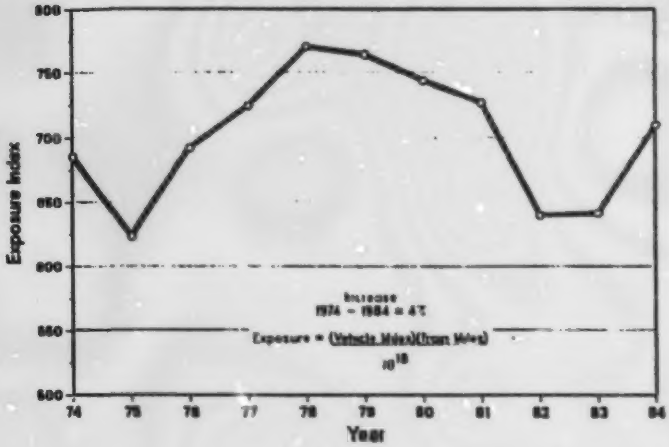


TABLE 6

POTENTIAL EXPOSURE AT HIGHWAY-RAILROAD CROSSINGS

YEAR		EXPOSURE INDEX
1974	↑	685.06
1975		622.90
1976	4%	691.98
1977	Increase	724.04
1978		769.68
1979		763.82
1980		743.62
1981		726.66
1982		638.99
1983		640.74 (Rev).
1984		709.79

$$\text{EXPOSURE INDEX} = \frac{\text{(VEHICLE MILES) (TRAIN MILES)}}{10^{18}}$$

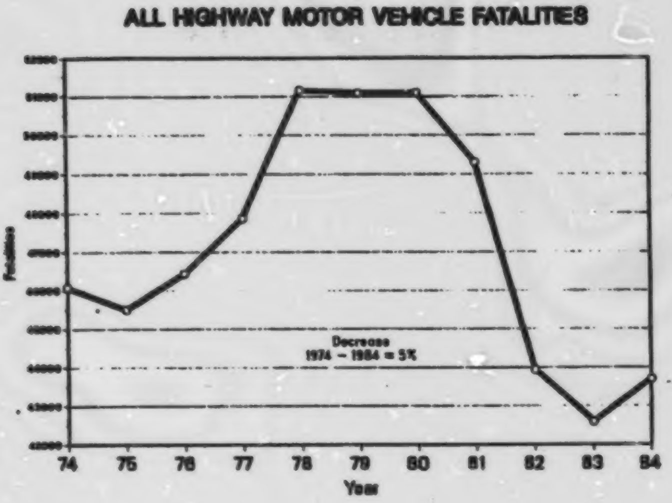


TABLE 7

ALL HIGHWAY MOTOR VEHICLE
FATALITIES

YEAR		FATALITIES
1974		46,078
1975		45,500
1976	5%	46,434
1977	Decrease	47,868
1978		51,153
1979		51,083
1980		51,091
1981		49,301
1982		43,947
1983		42,596
1984	↓	43,714 (preliminary)

SOURCE: FHWA "Fatal and Injury Accident Rates", Accident Analysis Division, Office of Highway Safety

INDEXED RATIO
OF EXPOSURE AND
FATALITIES, INJURIES AND ACCIDENTS

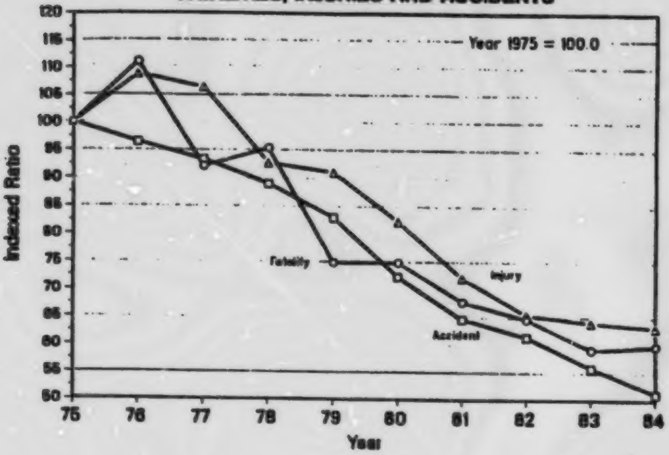


TABLE 8

RATIO AND INDEX
OF EXPOSURE AND
FATALITIES, INJURIES AND ACCIDENTS
INVOLVING MOTOR VEHICLES AT
PUBLIC HIGHWAY-RAIL GRADE CROSSINGS

	FATALITIES/EXPOSURE		INJURIES/EXPOSURE		ACCIDENTS/EXPOSURE	
YEAR	RATIO	INDEX	RATIO	INDEX	RATIO	INDEX
# 1975	1.27	100.0	5.78	100.0	17.54	100.0
1976	1.41	111.0	6.28	108.7	16.91	96.4
1977	1.17	92.1	6.15	106.4	16.37	93.3
1978	1.21	95.3	5.35	92.6	15.59	88.9
1979	0.95	74.8	5.26	91.0	14.54	82.9
1980	0.95	74.8	4.75	82.2	12.67	72.2
1981	0.86	67.7	4.16	72.0	11.33	64.6
1982	0.82	64.6	3.78	65.4	10.77	61.4
1983	0.75	59.1	3.70	64.0	9.79	55.8
1984	0.76	59.8	3.65	63.1	8.96	51.1

# Base Year

$$\text{Annual Ratio} = \frac{\text{Annual Fatalities, Injuries or Accidents}}{\text{Annual Exposure Index (Table 6)}}$$

$$\text{Annual Index} = 100 \times \frac{\text{Annual Ratio}}{\text{Base Year Ratio}}$$

Testimony of Warren E. Hoemann
General Counsel, Western Highway Institute
to the
U.S. Senate Committee on Environment and Public Works
Transportation Subcommittee

September 28, 1985
Coeur d'Alene, Idaho

Senator Symms, ladies and gentlemen. I am Warren Hoemann, general counsel of the Western Highway Institute, a nonprofit research organization supported by the motor carrier industry in the western United States and Canada. WHI appreciates your invitation to once again speak to the subcommittee on matters vital to highway transportation in the West. Two subjects need your attention: state grandfather rights and the federal weight-distance tax study.

The West is characterized by long distances, great geographical barriers and sparse population. The geography has limited transportation by water and rail in the West, so our western state economies have come to rely on highway transportation. Our agriculture, our timber, our mining, our livestock and our manufacturing communities all depend on economical, efficient highway transportation for their very existence. At the same time, however, our western demography--the long distances and sparse population--have put our highway transportation at a distinct disadvantage. Commercial vehicles in the West must travel as much as 3-1/2 times as far over roads supported by 1/5 the population as their counterparts in the Northeast. Unless highway transportation in the West can be made more productive, more economical, the transportation costs per capita would overwhelm our state economies.

As you know, our western states have long recognized their need for more productive vehicles. Starting in the '60s, states like Idaho began allowing longer combination vehicles at higher gross weights on selected routes. These more productive combinations are operated today under state-issued special permits to ensure compatibility with the motoring public and to reduce impacts on highway and bridges. Best of all, transportation costs, for any given volume of freight, have come down, to the benefit of us all.

Few people realize the extensiveness of current longer combination vehicle operations, so I have brought two maps that illustrate the point. The first map shows authorized routes for Triples (three 27- or 28-foot semitrailers) and Turnpike Doubles (two 40- or 45-foot trailers). You can see the extensiveness of their operations. But the second map, for Rocky Mtn. Doubles (a 40- or 45-foot semitrailer pulling a 27- or 28-foot semitrailer), is even more dramatic. This combination is rapidly becoming the workhorse of the western economy.

The widespread use of longer combination vehicles in the West belies a problem that can only be solved by a change in federal law. The legal history of divisible load special permits, those under which the West has achieved needed productivity, is, to say the least, contentious. States may issue permits for divisible loads on the Interstate System only if their state laws as of July 1, 1956 allowed them to do so. That is the so-called "grandfather clause" of 23 U.S.C. 127. But the interpretation of that clause, and of the various 1956 state laws, has been the subject of dispute and litigation for years, with the Federal Highway Administration challenging state power all along. In the Surface Transportation Assistance Act of 1982, that dispute was to be resolved. The "grandfather clause" was amended to specifically allow the states, and not FHWA, to determine grandfathered rights.

I would like to report that the amendment was successful. It was not. On June 5, 1984, FHWA interpreted the amendment in its Final Truck Size and Weight Rulemaking as making all state determinations subject to FHWA approval. The state of South Dakota challenged the FHWA rule in federal court and this June received a favorable decision upholding state determination. Yet, in the face of a clear statute and a court decision, FHWA persists in its own interpretation of the law. FHWA has filed an appeal of the South Dakota case and meanwhile has involved itself in the grandfathered rights of two more states.

The only way to remedy this situation and put an end to years of confrontation is to add a provision to 23 U.S.C. 127 to allow the western states, without regard to past state laws, to issue divisible load special permits. Such a change to federal law was endorsed by the Multistate Highway Transportation Agreement, made up of ten contiguous western states, including Idaho, at their annual meeting last November. That MHTA position is reflected in their "Report of the MHTA Four-State Longer Combination Vehicle Test," included with my written testimony.

Language has been developed to allow the western states to issue special permits for divisible loads. By drawing a 750-mile circle around Salt Lake City, Utah, one can touch or enclose all the states that have found a need for these more productive operations.

The "Pinwheel" amendment is quoted for your information: "NOTWITHSTANDING ANYTHING IN THIS SECTION TO THE CONTRARY, STATES CONTAINED WITHIN OR TOUCHED BY A CIRCUMFERENCE LINE OF 750 MILES STRUCK FROM SALT LAKE CITY, UTAH, MAY ISSUE SPECIAL PERMITS FOR THE TRANSPORTATION OF READILY DIVISIBLE LOADS IN EXCESS OF 80,000 POUNDS GROSS WEIGHT WHEN THE VEHICLE COMBINATIONS UNDER SUCH PERMITS ARE IN COMPLIANCE WITH THE SINGLE AND TANDEM AXLE WEIGHTS AND THE FORMULA SET FORTH ABOVE IN THIS SUBSECTION (23 U.S.C. 127 (a)) AND THE TOTAL NUMBER OF AXLES INVOLVED DO NOT EXCEED NINE."

The "Pinwheel" language would control axle and gross weights for reduced impact on the highways. It is permissive and does not require any state to adopt a procedure against its will. But it would relieve the anomalous situations in Wyoming and Colorado where states allow greater weights off the Interstates on lesser quality roads and it would obviate the need for more court cases like the one in South Dakota.

The second subject WHI wishes to comment on is the federal weight-distance tax study currently being conducted by U.S. DOT. WHI has testified to you previously on weight-distance taxation, so I will try not to repeat that testimony. But there are three short points commonly overlooked when a possible national weight-distance tax is discussed. And now is a good time to look at them, even though the DOT study has just begun. The DOT study plan calls for immediate development of various national weight-distance tax alternatives, and just as I figured I would have to shut all the windows when my neighbor's teenager said he was "looking into" an electric guitar, so, too, in light of the study plan, I suggest we begin now in our discussion of a national weight-distance tax.

First point: A national weight-distance tax would not be a simple extension of current mileage reporting by motor carriers. A look at the National Governors' Association "Survey of the State on How 'Mileage' is Defined and Used to Calculate State Taxes on Interstate Motor Carriers" (enclosed with my written testimony) shows that there is no common definition of "mileage," no common set of vehicles for which mileage is reported, and, a point not covered in the survey, no common agreement as to who is responsible for reporting. Remembering that this survey did not include the vast number of intrastate motor carriers, who generally do not report mileage at all, we can see that any national scheme will be a new undertaking and a new set of books for everyone.

Second point: There is no federal field enforcement available for a national weight-distance tax. Enforcement would have to fall back on the states and only eleven of them have any first-hand experience. Most states do not have port of entry systems, either. A national weight-distance tax would in effect require massive state-level programs. The only way states could justify that involvement would be through "piggybacking" their own state weight-distance tax on top of the national scheme. That coercion of state highway tax structures is contrary to the avowed Congressional intention of not interfering with state tax structures and would fly in the face of ongoing National Governors' Association effort to simplify state motor carrier taxation without federal intervention.

Third point: Federal and private studies agree that the tax revenues generated by users of high-volume highways tend to subsidize low-volume highways. Motor carriers operate about 90% of their time on high-volume Interstate and primary highways. The taxes paid by motor carriers help to subsidize local roads, city streets and other low-volume roads motor carriers generally do not use. Motor carriers have no complaint with this so long as all users participate in the tax system. When, as in a weight-distance tax, motor carriers are singled out for the benefit of roads they do not use, equity goes out the window. Today, as a result of the STAA, some vehicle combinations are restricted to federally-designated highways, further exacerbating the inequity of weight-distance taxation. Because it is impossible for motor carriers to separately keep track of mileage on designated highways or on federal-aid highways, any proposed national weight-distance tax cannot avoid the same inequity.

Thank you for this opportunity to bring these subjects to your attention.

STATEMENT

OF

D. DEAN HAAGENSON

PRESIDENT
CONTRACTORS NORTHWEST INC.
COEUR D'ALENE IDAHO

AND
NATIONAL LEGISLATIVE COMMITTEE CHAIRMAN
ASSOCIATED BUILDERS and CONTRACTORS
A NATIONAL CONSTRUCTION TRADE ASSOCIATION
REPRESENTING 18,000 CONTRACTORS,
SUBCONTRACTORS, AND SUPPLIERS OF

THE
FEDERAL-AID HIGHWAY REAUTHORIZATION ACT OF 1985

PRESENTED TO

SENATOR SYMMS, CHAIRMAN

TRANSPORTATION SUBCOMMITTEE

ENVIRONMENT AND PUBLIC WORKS COMMITTEE

UNITED STATES SENATE

The Associated Builders and Contractors (ABC) is pleased to provide the following statement to the Subcommittee on Surface Transportation in connection with the reauthorization of the Federal-Aid Highway Act of 1985. This testimony will focus on the reauthorization of the Interstate Cost Estimate (ICE), the 4R program, bridge replacement, and the Highway Trust Fund. Of major importance is our concern for the timely release of the FY 1986 Interstate Cost Estimate and the potential ramifications of the ten percent Minority Business Enterprise set aside. Finally, the impact of the Davis-Bacon statute preventing a sound fiscal stewardship of the nations Federal-Aid Highway Program.

ABC is a national construction trade association representing almost 18,000 member firms, including general contractors, subcontractors, suppliers and associates. Eighty percent of our members are subcontractors, making ABC the trade association representing the largest number of firms in this segment of the construction industry. Even though, we represent a large number of highway contractors and some of our nation's largest highway suppliers, we are still taxpayers foremost, and expect the efficient use of our tax dollars.

Interstate Construction

In 1956, the U.S. Congress initially authorized America's interstate highway system. Thirty years later, completion of this entire 42,500 mile system remains of critical importance to the continued growth of our national economy.

With over 40,900 miles now open for traffic, only about 1600 miles are left to be completed. Of these 1600 miles, approximately 900 are in the acquisition or early engineering stage, and another 200 are in preliminary stages.

Cost estimates for this 1,100 miles of highway construction is approximately $23.5 billion in Federal funds.

NOTE: Senate did pass a "clean" ICE; House attached the reauthorization legislation.

In the interest of efficiency, ABC strongly believes that the timely release of a clean ICE bill is of utmost importance. Over the years, the delays encountered in passing ICE have been damaging to the states which are responsible for the letting of contracts. Following the same efficiency theme, ABC feels that ICE should be considered separate from all other authorization packages. We regret that ICE has been made a part of such a major reauthorization, sections of which deserve major and much more time consuming scrutiny.

4R Programs

ABC is convinced that an investment in highway rehabilitation is an investment in America's future. If we are to continue growing and developing into the future, serviceability of our Interstate system must be guaranteed. To maintain adequate levels of rehabilitation and restoration, we must have the continued infusion of Federal aid highway funding.

ABC supports the $3.035 billion in 4R program authorizations found in H.R.3129. ABC's commitment to long-range deficit reduction does not blind us to the need for adequate program funding, and believes the level of funding called for ~~in th~~ [redacted] SHOULD BE to be adequate for maintaining our investment in the future.

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Bridge Program

ABC members share the same fears as do many, that of catastrophic bridge failures. Not only is there the concern as human lives are put in jeopardy, but this is just the beginning. The distressed condition of our bridge network plays havoc with our economic system. Our older, narrower bridges forbid heavy trucks, because they simply cannot handle the widths or weights. The accident rates on these bridges runs at a much higher rate than on our modern, or renovated bridges. The collapse of one of these older bridges can on occasion shut off an entire community from economic trade.

Another factor which prohibits the most effective use of our interstate brige system is the application of the bridge formula in section 127 of Title 23 USC. We urge Congress to review this formula so that vehicles are able to operate at efficiency levels equal to their design.

ABC feels strongly that the current condition of many of our bridges is a national disgrace.

We therefore, strongly support the $1.955 billion authorization called for in H.R. 3129 as being necessary if we are to be able to upgrade our bridge network.

Highway Trust Fund

America's highway system serves every American every day, and ABC feels there is no better way to pay for this system than through the collection of user fees. The current joint program of collection at both the Federal and State level, which has been tested for years, has proven very successful in funding our excellent roadway system.

ABC is recommending that the Highway Trust Fund be authorized on a permanent basis. We are all aware that continued outlays have to be made to keep our highway system up to par, and through time, Americans have shown that they will pay user fees as appropriate. A permanent Trust Fund Authorization will allow for an on going planning continuity within the Highway program, both at the Federal and State levels.

Gasohol Exemption

The system currently in place for generating highway revenue is for the most part, a fair one. The one inequity which is very apparent is the gasohol subsidy. Based on the current three cent a gallon reduction, this subsidy, if extended, through 1995 would cost the Trust Fund approximately $7.5 billion. Drivers burning gasohol as fuel are in all other aspects using vehicles indentical to gas burners. This subsidy is a great injustice and for the Highway Trust Fund, an expensive one.

ABC believes that all users of the Federal Highway system should pay their fair share and strongly supports the repeal of the current gasohol exemption.

Davis-Bacon Reform

Congress must face the herculean task of rebuilding its highway infrastructure - the nine cent per gallon Federal gasoline tax is providing funds for highway construction and repair.. As stated earlier, timely passage of the annual Interstate Cost Estimate bill is of tremendous importance in securing federal dollars for state contracts. ABC commends this committees' acknowledgment of these two vital elements of the federal highway-aid program. However, there is a third element which must be addressed by the committee, which would increase needed federal construction dollars.

To fulfill our commitment to rebuild our bridges, resurface our primary and secondary roads and complete the federal interstate system, our federal dollars must be wisely spent - at a time of high deficits keen fiscal stewardship is paramount to a sound federal-aid highway program.

This is why ABC feels it is important to consider reform of the federal Davis-Bacon Act. How much the prevailing wage rates have increased the cost of federal projects is subject to differing interpretations; however, all agree that the add-on costs of the Davis-Bacon statute are substantial. If it is the intention of this committee to deliver more quality transportation facilities for the taxpayers dollar, then reform of the outdated Davis-Bacon Act makes sense.

The American public is presently looking to this Congress, MR. CHAIRMAN, to address the number one problem facing our nation — the unrelenting increase in the National debt caused by burgeoning federal deficits. Yet federal, state and local taxes are already too high.

It is possible to assist in alleviating our current financial dilemma without calling a halt to the construction spending so vital to our Nation's infrastructure. I know you have seen slide after slide presented to you in earlier testimony about the terrible shape of our highways, bridges, bus stops, rail siding and transportation facilities — all of which are crying for part of the precious dollars allocated for building and renovation.

We can alleviate some of this crunch — without making the deficit and tax situations worse. To do so, we advise redirecting unnecessary costs involved in construction projects.

One way to reduce federal expenditures, without eliminating any one program, is to reform the Davis-Bacon provisions currently required on all federal construction. Reform on the federal highway aid reauthorization will provide a savings of almost $500 million in FY 1986 alone!

ABC asks that this committee today examine the impact of the Davis-Bacon statute against the backdrop of current economic conditions and carefully weigh the evidence which will be presented to you. ABC is confident that an unbiased evaluation of this evidence will convince you, as it has convinced contractors for many years, that Davis-Bacon has been impossible to administer and that attempts of the Department of Labor (DOL) to do so have resulted in the disruption of local marketplaces and inflated construction costs. However, the DOL has recently released regulations which can significantly improve the administration of this prevailing wage statute making it more equitable, less costly and fairer to minorities and small businesses.

Congressmen Charles Stenholm of Texas and Arlan Stangeland of Minnesota and 112 other members of the House of Representatives of the 99th Congress recognize the importance of the Department of Labor's regulations and have introduced legislation to "codify" or make part of the Davis-Bacon statute these administrative regulations. In addition, their legislation would raise the present $2,000 threshold and eliminate unnecessary reporting paperwork requirements. Senator Nickles' counterpart legislation, S. 1005, also addresses this needed reform and your cosponsorship of this bill is recognized. ABC wholeheartedly supports these efforts. Therefore, we are glad to have the opportunity to come before you today to present our views that significant legislative reforms in the current statute would be a means of reduction in highway federal aid expenditures without limiting the amount of transportation construction.

By reforming the Davis-Bacon statute, this committee can make headway on two fronts: first, the inflationary aspect of the prevailing wage law can be slowed allowing for real reductions in federal expenditures WITHOUT cutting back on any infrastructure construction project; and second, reform of the statute would assist in jobs creation providing yet another vehicle to bring down still excessive unemployment rates among minority groups.

These two fronts can be realized by "codifying" or making part of the law the DOL adopted regulations, by allowing for a "helper" classification on federal construction projects and by increasing the current $2,000 threshold to $1,000,000.

Let me review for you each of these provisions and indicate why they would be beneficial, not harmful, to our economy today, and to our workers in the construction industry.

30% RULE

For many years, DOL continued to use the so-called "30% rule" which mandates that wage rates paid to 30% of a particular craft will take precedence over rates paid to the remaining 70%. Unfortunately the data on which determinations are based were frequently skewed by an excess of input from the union sector and a limited scope received by open shop contractors. Statistics derived from incomplete data are always misleading. At the time of issuance of the 30% rule there was no Administrative Procedures Act, the basic "rule making bill of right;" no Federal Register in which to publish regulations, and therefore, no input from representatives of the construction industry prior to the issuance of the rule. Unfortunately the use of the 30% rule to calculate "prevailing" wages has led to wage rates on federal contracts that are significantly higher than those actually paid to the majority of workers in an area on similar construction.

There inflated wage rates are incorporated into a contractors bid price, which the federal government, in turn, must pay. Furthermore, the inflationary influence of the excessive wage rates is reflected in every step of the construction project, since architects, general contractors and subcontractors all calculate their profit based on a percentage of the inflated project cost. In a GAO report to the Congress, this rule was cited as adding a 5 to 15% increase in the cost of any one project bid under Davis-Bacon. GAO urged the elimination of the controversial 30% rule as it is not reflective of a true majority wage.

Study after study also demonstrate that in addition to the inflationary costs of federal construction where Labor's rates were too high, local contractors and workers in smaller communities were affected the most — because contracts on the majority of the projects were awarded to outside contractors. Some local contractors state that rather than disturb their existing wage structures, they would not bid on government projects when rates were higher than those prevailing in the locality. Thus, the inflated costs have had the most adverse effect on local contractors and their workers — those the act was originally designed to protect when elected officials were concerned with the importation of alien laborers on a hometown project — by promoting the use of non-local contractors on federal projects.

Additionally, wages under the 30% rule reduced the number of competitive bids being submitted, since many contractors simply could not afford the disruption in their work force and the morale problems of employees when their wages are returned to normal upon completion of the federal job. Not only did the 30% rule lose potentially lower bidders, but the non-participation has had an adverse impact on youth and minority unemployment. Minority workers and youth are far more likely to work in the nonunionized sector of the construction industry and to the extent that these contractors do not participate for economic reasons, their employees suffer.

The DOL regulations dropped the "30%" rule and define the prevailing wage as the rate paid to at least a majority of workers in the area performing similar work, or the weighted average where there is no majority wage -- a "50% rule."

Estimates of a $600 million savings by adopting the 50% wage determination method cannot be ignored. In 1931 the Congress simply did not define the term prevailing wage, the DOL recognized this fact and has presently adopted regulations which are consistent with the statute's intent, reduce unnecessary federal spending and provide for the mean wage in a construction area. Unfortunately this is only in regulation form.

ABC recommends that this provision be adopted in a major reform package. By codifying this current DOL regulation into law, we would be providing a stable base for future wage rate determinations on federal projects. The current practice, or 50% rule, deems the prevailing rate as that rate paid to a true majority of local tradesmen.

URBAN AND RURAL DATA

Although the law mandates that the Secretary of Labor issue prevailing wages for the "city, town, village, or other civil subdivision of the State in which the work (the federal project) is to be performed," the Department usually issued prevailing wage determinations on a county-by-county basis. As a result, generally higher wages paid in urban areas contained in a large county were regularly imported into rural areas within the same county. Although there were mechanisms for a "wage protest" where contractors did not believe the prevailing wage determination was correct, the obstacles which confront a contractor contemplating such a protest are insurmountable under real world conditions. The average turn around time for this procedure is three months and, MR. CHAIRMAN, the contract with the wage determination being challenged was bid and the contract awarded during that time! That contract is long gone, and in all likelihood, wages paid on the project, mandated by the challenged determination, were included in the data base of the new determination. The original error became the statistical justification for perpetuating the error!

The Department of Labor, in their regulations, stopped this practice of using urban wage data to set wages for federal construction projects in rural areas. Wage data is now being used from adjacent rural, rather than urban, counties when data in a specific rural area is insufficient to determine a locally [illegible]ailing wage. Once again, this has been enacted by regulation -- not [illegible]slation which could permanently alter the law.

[illegible] FEDERAL CONSTRUCTION PROJECTS

When a wage study is done by the Department of Labor and a prevailing wage determination is issued, it is inserted into the construction contract and those rates, at a minimum, must be paid to all employees on the project. When future prevailing wage surveys are conducted in the area in which that project is located, those same rates, under previous DOL policy, were included in the data base for the new determination. As a result, erroneously high wage rates required under one federal contract was the basis for a future wage determination. The initial error was thereby compounded in perpetuity.

As originally passed the Davis-Bacon Act was enacted to insure that federal construction contracts would not be used as vehicles for upsetting local wage standards. By using wage data from projects with rates set by the federal government, and not the free competitive marketplace, the government itself became the vehicle for upsetting local standards throughout the country. The administration of the statute was creating the conditions it was charged with preventing!

An error in as few as 10% of all DOL determinations would affect up to 12,000 of the estimated 120,000 contracts governed by the Act each year. Even if only half of these contained inaccurately high determinations, some 6,000 construction projects, or over 100 in each state, could be built each year at inflated wage rates.

Therefore, the DOL has excluded, by regulation, from the prevailing wage calculation wages paid on other federal construction projects and hence already subject to Davis-Bacon requirements.

Again, this is not part of the statute — just regulation.

EXPAND USE OF 'HELPER' CLASSIFICATION

ABC also supports the provision in the Stenholm/Stangeland legislation which provide for a "helper" classification on Davis-Bacon projects. This would enhance competition, as it would make federal construction project work practices more consistent with those practices widely used throughout the construction industry today. Employees who are normally classified as helper and who are generally entry level employees learning a trade, must be paid the journeyman rate for the trade in which he or she is being trained. The alternative to replace the employee with someone who has achieved journeyman status. As a matter of simple economics, the contractor will opt for the worker who is more worthy of the higher journeyman rate. The federal government, in its procurement practices and policies, should encourage contractors to be competitive by utilizing an employee to the full extent of his attained skill level and not at a fraction of his capacity by using a high paid journeyman to do what a helper is capable of doing. Unskilled or partially skilled workers can be trained to perform a particular task within a craft without being qualified in all skills of a fully qualified journeyman. Contractors should be urged to utilize any classification of workers to perform tasks within their attained skill level. This provides more opportunity for under utilized minority, females, handicapped, young workers and those traditionally limited in the working force. It provides an incentive and an opportunity for ambitious workers to learn a craft, task by task, progressing on the basis of individual merit and at their own learning pace. The inability to utilize helpers on federal projects in a manner comparable to private work creates a tremendous increase in federal construction costs. The GAO has estimated that insertion of a helper classification in the Davis-Bacon Act could provide budget savings of approximately $3 billion over the next five years!

The importance and urgency of creating jobs for the unemployed have been repeatedly enunciated. Why then, MR. CHAIRMAN, is a provision which would create more jobs for the same expenditure of money not included in these proposals? Better yet, why not have it included when it provides more jobs and realizes a cost savings at the same time! Studies published by the GAO, the Council of Economic Advisors and the Grace Commission have all indicated that the Davis-Bacon Act increases the cost of federal and federally assisted construction projects by at least ten percent. Apply this estimate to the number of jobs to be generated through programs to which Davis-Bacon applies, thousands of more jobs clearly could be provided to the unemployed and unskilled if the inflationary and restrictive practices of the prevailing wage statutes were waived in this proposal.

The Department of Labor regulations permitted contractors to greatly expand their use of semiskilled "helpers" on federal projects at wage rates lower than those paid to skilled journeymen. But current regulation severely limits the use of helpers as the provision was struck down by the appeals court. DOL is currently submitting reformulated regulations governing the use of helpers.

The Wage and Hour Division of the Department of Labor recently indicated that if all the provisions mentioned above were implemented, the savings estimated to the taxpayers will exceed $500 million annually!

THRESHOLD

The current application threshold of $2,000 is totally outdated since this figure has been in effect since 1935 and provides no exemption for small business contractors. MR. CHAIRMAN, it is impossible to even build a recreational swing set on any military base for less than $2,000 today!

The threshold should be raised from $2,000 to $1,000,000. Increasing it just to $100,000 alone would provide savings of $237 million over the next five years to the federal taxpayer, according to the GAO. However, we would recommend that the threshold would be even more beneficial if it were raised to $1 million per contract. Testimony given before the Senate Small Business Committee in February, 1982 indicated that a $1 million threshold would exempt 85 to 90 percent of all federal construction contracts while only exempting 15 to 20 percent of the total federal dollars obligated for construction. Raising the Davis-Bacon application threshold to $1 million will encourage many small businesses to participate in the federal marketplace — which will enhance competition, reduce costs to the taxpayer and provide new job opportunities. The Davis-Bacon Act has proven to be especially burdensome to small businesses because it discourages them from bidding on federal projects. This is because the DOL prevailing wage determination is more often than not higher than the true wage in the area. Once a business accepts a federal construction contract and agrees to pay the prevailing wage as determined by the DOL, it often feels compelled to pay all of its employees the prevailing wage, whether or not they work on the federal project. Also, once the project is complete, the firm often feels that if it reduced wages to the level paid before it entered the federal contract, labor relations would be strained. As a result, only large businesses, usually located in urban areas, feel comfortable in bidding on a federal project.

PAYROLL REPORTING

Another cost inflator on federal construction is the weekly payroll reporting requirement, imposed by the Secretary of Labor under the Copeland Anti-Kickback Act. That law, which requires contractors to "furnish weekly a statement with respect to wages paid each employee during the preceding week," has been interpreted to require submittal of virtually all payroll information on the federal project employees. Once construction work on a Davis-Bacon project is underway, the project's general contractor is required to fill out these detailed payroll record forms, listing each employee, by trade, social security numbers, and send as many as three certified copies of these forms to the project's contracting officer weekly, and keep a copy of these payroll records for three years after the project is completed. This is not only burdensome, but extremely costly.

In addition, the general contractor is required to see that all of his subcontractors working on the project meet the Davis-Bacon requirements, and, after certifying that they do in fact comply, to also pass a copy of their weekly payroll records on to the contracting officer. Not only is this reporting requirement costly to the contractors, a typical company estimates that it requires 32 clerical hours per week to complete these forms for just four federally-funded projects. But the taxpayer must also pay someone in the federal bureaucracy to read — or worse yet — not to read, these weekly submissions — and then the government has to provide warehouses to store all of the payroll forms!! From the standpoint of producing one mile of highway or resurfacing of any one of our Nation's decaying bridges, this time spENt is totally unproductive.

If there is one thing that is clear in all the debate that has raged for a half century, it is the fact that Davis-Bacon discourages competition. It is also a fact that when you reduce the number of bidders for a project, the price is likely to be higher. Many contractors simply won't put up with the inflated wage requirements, the government red tape, voluminous paperwork, archaic work rules and job classifications, and thus there are fewer contractors competing for the business. Those firms who have adjusted their operations to comply with the myriad of Davis-Bacon requirements understandably welcome a reduced number of competitors. The upshot of all this means that the taxpayer pays more.

It is somewhat akin to the political arena. While we all know that vigorous competition between the parties and candidates makes for the best government, has anyone heard of a candidate who complained because he or she was running unopposed or against token opposition? I think not.

Yes, it is only natural that some contractors would like to perpetuate a system which limits the competition.

RECOMMENDATIONS

The Davis-Bacon Act is definitely a "sacred cow" which has escaped real detailed review or justification these past fifty years. If one looks at the intent of the law at the time of its passage, 1931, and amendments four years later in 1935, one sees that it was intended to protect local construction contractors and their employees from contractors coming into an area with lower wage rates and underbidding local contractors on federal public works jobs. Subsequent laws not only protect and guarantee workers wages, but also insure their rights to organize and bargain collectively for better wages and working conditions, as well as providing different forms of income security. Some of these laws include the Fair Labor Relations Act, the Wagner-Peyser Act, the Miller Act, the National Labor Standards Act and the Social Security Act. Many groups feel that the administrative reforms mentioned above will resolve questionable practices in the implementation and administration of this prevailing wage statute.

ABC urges this committee to codify the current DOL regulations as they pertain to the 30% rule, the exclusion of urban wage survey data from rural wage survey data, and the exclusion of previous federal project from wage survey on future highway-aid programs. Additionally, we call for the reform of the Davis-Bacon Act by allowing the use of the "helper" classification on a federal work site and by raising the threshold from $2,000 to $1 million on transportation projects. The cost-savings to the federal budget, are significant. This budget is cutting the muscle from its construction projects when it could cut the fat created by the artificial wage inflator provided by Davis-Bacon instead. How many more bridges in each of our states in dire need of repaving could be repaired with Federal funds if Davis-Bacon were reformed? These reforms would not put people out of work, MR. CHAIRMAN; conversely, it would enhance employment!

The DOL has taken the bold step necessary — the logical step — to reduce unnecessary federal expenditures by implementing these regulations. The Congress should follow and reform the Act by codifying the regulations ... and this committee can start this reform effort in the 1986 reauthorization bill.

While there may be disagreement among some of us in this room today as to the full extent that Davis-Bacon is inflationary, there is little quarrel with the fact that Davis-Bacon is inflationary; and there is no question that reform of this law would provide significant savings — up to $1.5 billion annually, or over $5 billion in a three year period.

An internal study completed at the Federal Highway Administration indicates that Davis-Bacon requirements have indeed added significantly to the cost of our highway program ranging from a low estimate of $284 million to a more likely half billion dollars in costs in 1984 alone! Estimates of total add-on costs imposed by Davis-Bacon on all government construction projects range between $1 billion and $2 billion annually, according to the FHWA staff study.

One example cited recently is the work on a federal bridge connecting two New England states. Differing prevailing wage rates in each state resulted in differing pay levels for workers doing the same job at opposite ends of the same bridge. Laborers on one end of the bridge were paid $5.84 per hour, while their counterparts, at the other end of the bridge, were paid $14.89 per hour.

Reform makes sense as it will help save federal dollars, help our small contractors and spur minority employment.

Set Asides

ABC objected strongly to section 105(b) of the 1982 reauthorization bill which required an expenditure of a specific percentage of Federal-aid highway funds by any select segment of the industry. This has had a direct input on highway construction. DBE program is NOT the solution to minority participation in the transportation construction industry.

Although ABC understands and appreciates the need to assist Disadvantaged and Minority Business Enterprises in getting both a foothold in the construction industry and the experience necessary to compete in the private sector, we believe that the stringent ten percent DBE quota included in the bill are impractical, expensive and simply impossible to meet in many states. In too many cases, there simply are not adequate numbers of DBE firms qualified to meet a ten percent quota. Not only will the sheer lack of existing DBE firms result in the perpetuation of sham operations,the necessity of meeting a hard ten percent quota will severely penalize competitive non-DBE subcontractors, including women-owned businesses, and lead to inefficient bidding practices on the part of prime contractors.

While it is a matter of ABC policy to assist, to the maximum degree possible, minorities who are seeking employment in the construction industry and minority firms which are seeking to participate in the free enterprise system, ABC believes that set-aside programs or other programs which establish quotas awarding government contracts have proven to be largely unworkable. This is not to say that federal effort to increase minority business opportunities are not necessary or that contracting goals cannot serve as an effective stimulus for contract awards to DBEs. ABC simply maintains that the DBE requirement in the Surface Transportation Act inaccurately reflects congressional intent and will prove to be unworkable, expensive and counterproductive to efforts to increase long term job opportunities for Minority Business Enterprises.

It is evident to ABC and to a substantial number of construction associations throughout the Untied States that the Department of Transportation exceeded its statutory authority by promulgating proposed regulations making the ten percent figure an inflexible quota. ABC believes that Congress recognized that there would be situations in which a ten percent annual overall goal would be impossible and appropriately provided the Secretary of Transportation discretion to make allowances for circumstances where the ten percent requirement represented an impossible situation.

Waiver procedures are consuming. Additionally, ABC is concerned with the problems and additional expenses resulting from artificial subcontracting quotas. We would like to take this opportunity to expand on the problems facing the construction industry.

In Idaho, for example, 4.5 percent of the population is comprised of minorities. The 40,000 individuals who comprise this 4.5 percent of Idaho's population do not have an adequate number of DBE's capable of honestly bidding an DBE construction job. As ABC members from Idaho have pointed out, "This is a situation ideally designed for the unscrupulous opportunist." General contractors intent on bidding jobs and meeting DBE requirement will often resort to hiring storefront DBE operations and/or to paying a premium to secure a minority contractor so that the overall bid would be acceptable to the federal government. The following statement from Northwest Inc., Contractors and Engineers, Coeur D'Alene, Idaho is a good example of the type of activity we are talking about:

> We were the contractor on two EDA grant contracts in that time period (1980), and fulfilled the minority requirement by utilizing the minority firm of X and Y Construction. X and Y had been in business for some years as Z Construction Company and formed a 50-50 partnership with Y to participate in projects with "hard" DBE requirements. X was very open in his method of operation. He simply called us to make us aware that he was willing to subcontract to any trade category of any job for a six percent "fee" which was to be added to the low bidder in whatever category we wished to utilize X and Y. On a particular project the system worked as follows:
>
> EDA Project #07-51-26332 and #07-51-26365. The low electrical bidder was Q Electric, a contractor normally in business in this area at $51,540. The "fee" for X and Y Construction Company was $3,092 and the revised contract for X and Y Construction Company was $54,632.

The long term effects of practices such as this are obvious — the total cost of federal projects is increased at the expense of legitimate subcontractors quite capable of bidding the projects at a lower price. Although cases such as this may not be as prevalent in areas of the country where there are large numbers of DBE firms, if DOT is insistent on maintaining an inflexible ten percent goal in states with smaller DBE populations, general contractors desperate for business may be driven to great lengths to meet minority requirements.

The decision to strictly enforce a ten percent set-aside quota, rather than a good faith effort, as a prerequisite to contract award also raises the possibility of horror story situations for general contractors. For example, suppose a $10 million contract was awarded to a contractor claiming to have DBE's capable of doing ten percent of the work but denied a contractor who could only realistically claim 8.5 percent DBE participation, yet bid less than $10 million. Because the quotas have to be met up front, it is entirely possible, indeed likely, that contracts will be awarded to companies at higher price requirements. Moreover, it is also possible that the contractor claiming ten percent DBE participation cannot realistically honor his obligation, paving the way for any number of lawsuits.

Finally, ABC has heard from a number of members complaining that the DBE requirements of federal contracts have increased overall costs due to poor management on the part of DBE firms. In Houston, Texas, for example, the inability of a minority subcontractor to finance the purchase of his own materials needed to complete the project, forced the prime contractor to hire another subcontractor at an additional cost of $7,000. In fact, for a variety of reasons, the GAO has estimated the price quotas of minority firms to average nine percent higher than normal prices. In many instances the increased costs are the result of inexperience and a lack of management skills on the part of many minority businesses which must be addressed if we are to increase the future viability of these business and provide long term job opportunities for America's minorities.

DBE's neither improve the management competency of the DBE firms nor better prepare them for private sector projects. In fact the GAO issued a report (April 1981) which found that only four percent of the DBE firms participating in the Small Business Administration's 8(a) set-aside program between 1968 and 1980 "graduated" to private sector work. ABC believes that improved management skills and better access to job training programs for unskilled workers would help DBEs make the transition from federal set-asides to the private sector. Instead of increasing DBE set-aside requirements at further direct expense to the government, we maintain that additional funds should be channeled into various training programs.

The federal government has taken the correct approach in the Jobs Partnership Training Act (JTPA). Through the use of Private Industry Councils (PICs), the private sector will be involved in setting goals and activities for training programs in a manner consistent with the actual demands of the market. ABC has developed the Wheels of Learning program (which is privately funded) to provide the curriculum for skill training in more than twenty trades. In addition to the job training emphasized in both JPTA and ABC's Wheels of Learning program, we also need to direct additional resources to management training.

Associated Builders and Contractors recommends that a similar joint effort be made on the part of the government and the private sector to upgrade the management skills of DBE firm owners and managers with the goals of bringing more DBEs into competitive, free market exchanges. As long as DBEs are sheltered from reality by artificial set-asides created by the federal government, they will remain ill-equipped to deal with the realities of the free enterprise system. The United States Office of Minority Business

Enterprises in the Department of Commerce is the appropriate vehicle to coordinate such efforts. We believe that the funds spent to meet DBE requirements in the Surface Transportation Act would better utilized in the form of a funding increase for the OMBE to increase the availability of management training programs. Such a transfer would assure that federal funds would be earmarked for improving DBE firm management skills.

The private sector has also been active in developing training programs capable of providing the labor and management skills which will be required in the coming years. The Construction Industry Cost Effectiveness (CICE) project sponsored by the Business Roundtable has recommended that contractors and owners fund private training programs for supervisors and managers. The study claims that such training, "can reasonably expect a return on that investment of at least three to one." Additionally, the CICE study recommends that increased management skills be pursued through industry's cooperation with institutions of higher education. The key is for private industry to take a lead role in improving the overall caliber of management skills for all businessmen in order to improve our economic efficiency.

It is ironic that although Congress established goals to expand minority participation in government funded construction projects (specifically the federal highway-aid program) it is the reform of the Davis-Bacon statute on these projects that would provide the needed opportunities for all minorities.

Conclusion

In summary, ABC urges this committee to include in the FY 1986 Surface Transportation reauthorization bill that would significantly modify the application of the Davis-Bacon Act to transportation construction.

We are all concerned with how we can cut spending, but still adequately meet our infrastructure needs.

MR. CHAIRMAN, the 18,000 members of the Associated Builders and Contractors, Inc. sincerely appreciate being given the opportunity to have their views made a part of the record on HR 3129, the "Federal-Aid Highway Act of 1985."

MONTANA HIGHWAY USERS' FEDERATION
P.O. Box 4129, Helena, MT 59604

September 18, 1985

Honorable Steve Symms, Chairman
Transportation Subcommittee of the
Senate Committee on Environment and Public Works
410 Dirksen Senate Office Building
Washington, D.C.

Dear Senator Symms:

As we will be unable to appear at the field hearing scheduled for September 20, 1985 in Coer D'Alene, Idaho, the following should be considered as our testimony for the record. We appreciate the opportunity to testify on the reauthorization of the Federal-Aid Highway program.

Diversion of Highway User Fees for Non-Highway purposes
Highway users are of the belief that user fees in the form of motor fuel taxes are protected from diversion to non-highway uses. This belief must be maintained by resisting diversion of highway funds in every case. Case in point - diversion to mass transit must be resisted.

Condition and needs of roads in agricultural areas
This is an extremely important area of concern for Montana. The abandonment of railroad spur lines and the construction of grain sub terminals in the state points out the need for an adequate rural road system for transporting grain products to market. The agricultural market is number one in Montana and the importance of an adequate road system to that sector of our economy cannot be minimized.

Completion of the Interstate Highway system

Future planning must be done for other areas of our transportation system with the completion of the Interstate system in the foreseeable future. The 4R program should be continued and consideration given to upgrading primary highways of major significance.

Responsibilities of the Federal, State and Local Governments

The role of the Federal government should focus on the area of the Bridge replacement program, maintaining the Interstate system and study the upgrading of major Primary systems. Needs for road and street improvements in local areas should be handled by local jurisdiction. A multi year ICE should be adopted by Congress. Having to adopt an ICE on an annual basis is not compatible with the proper implementation of a highway program at any level of government.

Alternative methods of financing highway construction including Toll financing

Toll financing is opposed by the Montana Highway Users Federation as a part of the Federal-Aid Highway Program. Motor fuel taxes (user fees) should remain the basic vehicle for highway funding, not toll financing. One area that should be looked at as alternative financing is Gasohol. Use of this product should not be exempt from motor fuel taxes. Any exemption now in existence should be removed. It is important that, in considering alternative financing, the Highway User not be singled out to reduce the federal deficit, balance the budget etc..

Review of the apportionment formulas

No change should be made in the apportionment formula. A formula based on population would be devastating for Montana. Adequate Funds for highway construction are related directly to the number of miles and that has to be the basis for apportionment.

Other Issues

As part of the reauthorization of the Federal-Aid Highway program, the Montana Highway Users urge the committee to consider favorably the so-called "Pinwheel" amendment. This amendment reads "States contained within or touched by a circumference line of 750 miles struck from Salt Lake City, Utah, may issue special permits for the transportation of readily divisible loads in excess of 80,000 pounds when the vehicle combinations are in compliance with the formula set forth above in this subsection and the total number of axles involved do not exceed nine.

Adoption of this amendment will place the control of special permits under state government, and we heartily endorse this concept.

Thank you for favorable consideration of this testimony in your deliberations on the reauthorization of the Federal-Aid Highway program.

Respectfully submitted,

MONTANA HIGHWAY USERS FEDERATION
Forrest "Buck" Boles
FORREST H. BOLES
Chairman

FHB:pp

Oregon Forest Products Transportation Association

2985 River Road South • PO Box 2167 • Salem, Oregon 97308 • (503) 364 5168

TRANSPORTATION SUBCOMMITTEE OF THE SENATE COMMITTEE
ON ENVIRONMENT & PUBLIC WORKS
REAUTHORIZATION OF THE FEDERAL-AID HIGHWAY PROGRAM
9:30 AM, SEPTEMBER 28, 1985
KOOTENAI COOPERATIVE EXTENSION SERVICE BUILDING
COEUR D'ALENE, IDAHO

The Oregon Forest Products Transportation Association (OFPTA) is appearing today to submit our views on the Federal-Aid Highway Reauthorization Program.

1. Oregon, with a relatively small population and a large area, is having difficulties in raising sufficient revenues for highway needs. The OFPTA supports efforts to raise such revenues as long as truck taxes aren't increased. State and Federal truck taxes, per truck, will be more than doubled since 1982!

1982	1985	1987
$3,063	$5,625	$7,084 +

The forest products transportation industry is not rate regulated so we could not pass truck cost increases on, even if the forest products industry was healthy, which it is not!

In addition, Oregon truckers pay 8.6% more highway use taxes than the national average of all states, based on statistics reported by the Department of Interstate Cooperation, A.T.A., Washington, D.C.

2. The OFPTA is on record as endorsing the current 55 mile-per-hour speed limit. The Association feels that the 55 mile-per-hour speed limit maximizes fuel conservation while maximizing safety. However, we would be interested in compliance studies on the speed limit and studies on national accident rates since the 55 mile-per-hour was initiated.

3. The OFPTA is unalterably opposed to any plans to divert highway user fees for non-highway purposes. The Association feels strongly that funds collected from truckers in the form of highway user fees should only be allocated to the constuction, reconstruction, maintenance and repair of roads they utilize.

4. The OFPTA feels that funds collected in the form of truck taxes should be allocated to the maintenance and repair of the secondary road system. The condition of these secondary roads, particularly forestry roads, are poor and present a dangerous safety situation. A recent USA Today newspaper article labeled Highway 22 from Salem to Bend as one of a handful of roads in the nation to watch out for due to the tremendous traffic volume and poor condition of the highway. Truckers pay 42% of all funds designated for highway use in Oregon and should have those funds allocated to the roads they utilize.

5. OFPTA feels that the interstate highway system is complete in Oregon. The State, from border to border, is easily accessible through this system and interstate operations are increasing. The Association feels that allocating large amounts of funds to the interstate highway system is not productive, due to the current conditions of Oregon's secondary road system

(continued)

and the state's bridges, which demand immediate attention. In addition, funds have recently been awarded to areas in Oregon, specifically Multnomah County, designated for the interstate system. The funds were not deemed necessary for that purpose by the local people and diverted to other highway needs.

6. The OFPTA strongly recommends that the layering of taxation from the federal level on down should be directed and controlled to avoid the current double and triple taxes being imposed. An example in Oregon: (1) Truckers paying federal highway user fees; (2) the State of Oregon this year passed a 2¢ gasoline and related weight/mile tax increase, (3) some cities and counties have imposed local highway taxes, and presently a political subdivision, TRI-MET, which is a mass transit district, is imposing further petroleum-related taxes on truckers. As mentioned earlier, truck taxes have already been doubled since 1982, hauling rates are going down, not up, presenting truckers with a major problem.

Many of our members are out of work. The mills they hauled logs to are closed. The mills they hauled lumber and plywood from are closing. The people who drove those trucks are unemployed. Times are tough for them and for us. We want to save 1,000 other trucking companies from going out of business. We don't want to see these people we've known and worked with for years lose all they've spent their lives putting together.

Forest products truckers are at the end of the forest products industry employment chain. When mills close, as they have, and when production is reduced, as it has been, and when mills and loggers are hiring truckers at

(continued)

rates near or below cost, which they are, forest products truckers are in dire straits economically. And, this is the fifth year of severe economic stress. Proposed additional taxes will further impact an already troubled industry.

OFPTA feels that the responsibilities of the Federal, state and local governments should be clearly defined so as to stop the layering of taxation before it breaks the back of the forest products transportation industry.

7. OFPTA is very interested in exploring alternative methods of financing highway construction. In this regard, we are interested in new cost responsibility studies, including one currently being conducted by the American Trucking Association (ATA) concerning the diesel differential. The results of these studies could be vital in formulating a more equitable way to finance highway construction. The taxation method currently used in Oregon (which we have commented on earlier) is not working well, and in fact is driving truckers out of business, further deteriorating the funding levels. We are opposed to a federal weight/mile tax and support continuation of payment as you go by the gallon of fuel purchased.

8. OFPTA recommends that the current gasohol exemption should be eliminated. This exemption was created to promote conservation. In reality, this exemption diverts millions of dollars away from highway funding aimed at implementing energy efficient transportation improvement. If federal policy dictates retention of fuel tax exemptions then it should be financed in other ways. The elimination of the gasohol exemption would increase fuel conservation and, more importantly, increase safety for highway users.

(continued)

9. One effect of the dramatic increase in truck taxes is that truckers, when their net income is severely reduced as it has been, spend less time and money on truck equipment and maintenance. This presents an alarming safety hazard and we feel increases the likelihood of equipment failure and accidents.

10. OFPTA strongly recommends that the proposed change in the 4R apportionment formula be deterred. Highways likely to comprise a system of "National Significance" must not be allowed to deteriorate. Oregon is a state with long segments of interstate highways which are approaching the end of their planned 20 year lives and maintenance is now required at accelerated levels. Therefore, we urge the current 4R apportionment formula, with its reliance on lane miles and vehicle miles, be retained.

We welcome this opportunity to voice our concerns. We suggest creation of a Task force to include representation from the Western states to make further recommendations and to carefully consider the alternatives. We would be pleased to serve on the task force.

CM/tb

STATEMENT OF AAA WASHINGTON

to the

TRANSPORTATION SUBCOMMITTEE

ENVIRONMENT AND PUBLIC WORKS COMMITTEE

UNITED STATES SENATE

September 28, 1985

Coeur D' Alene, Idaho

AAA Washington, serving over 344,000 members located in 26 counties of Western and Central Washington, is pleased to have the opportunity to offer our comments on what we believe the post-1986 federal-aid highway program should and should not encompass.

INTERSTATE COST ESTIMATE

AAA Washington believes that an unencumbered Interstate Cost Estimate should be quickly approved, and for upcoming years should be authorized by the Secretary of Transportation to avoid future interruptions in crucial highway construction funding. This is especially critical to Washington, which is still working to complete several gaps in our interstate highway system.

AAA Washington also supports the concept that the Interstate Cost Estimate should be approved without any special demonstration projects dictated by Congress. Such projects, financed by the Highway Trust Fund, thrust federal influence into what should remain state or local planning decisions. If there is a need for special projects they should be financed with the state's highway planning and research funds.

DIVERSION

We also wish to continue our long-standing opposition to diversion of motorist taxes and fees away from the Highway Trust Fund to either subsidize transit operations or to reduce the Federal budget deficit.

Motorists pay 27 cents a gallon in Federal and state taxes on a single gallon of motor fuel in Washington. We believe they grudgingly accept that high rate of taxation because they believe they receive ample highway construction and improvements for their cents per gallon paid. There would be little if any public support for that high rate of taxation if fuel taxes are diverted away from highway uses.

AAA Washington believes that transit subsidies are best addressed by local government decision making and through locally adopted tax options such as those now currently in use throughout much of Washington. All transit service benefits the local area it serves, and it is local government that should accept the responsibility for its funding. Relying on federal funds for operating subsidies simply postpones fare increases and allows local officials to avoid decisions that must be made concerning the quantity and quality of service.

HIGHWAY TRUST FUND

AAA Washington supports the continuation of the Federal Highway Trust Fund to insure an adequate level of funding for highway programs of national importance. Any legislation extending the fund should also call for a draw-down of the large case balance which has been permitted to accumulate in the fund.

Balances in the Federal Highway Trust Fund should not be included in the total budget of the federal government. These funds are restricted in use, and in reality cannot offset the nation's huge budget imbalance.

This budget gimmickry has discouraged the full utilization of the Highway Trust Fund, which has led to unnecessary and costly delays in delivering highway services for which motorists have already paid.

AAA Washington believes that the federal budget process should be restructured so that the Highway Trust Fund and all user fees are considered separate from the unified federal budget.

SAFETY BELTS

AAA Washington wholeheartedly worked for the passage of a mandatory seatbelt law in the state of Washington and we believe the time has come for all states to enact mandatory belt use laws. No single legislative action by a state legislature has the lifesaving potential as that of mandatory safety belt use laws.

We also believe Congress should authorize an extensive study on safety belt use similar to the recently issued report on the 55 mile-per-hour speed limit. Such a study should be designed to examine all aspects of state mandatory belt use laws. We believe the data gathered from such a study would reveal the benefits of safety belt laws, as well as identifying problems with the newly passed laws that could later be corrected by the various state legislatures.

However, we wish to strongly emphasize our support for mandatory safety belt laws does not dilute our support for automatic crash protection systems. AAA Washington believes such systems should be made available to the public as soon as possible.

TOLLS

AAA Washington cannot emphasize strongly enough our total opposition to proposals that would lessen federal controls over toll highway financing. We are adamantly opposed to the proposals of the Federal Highway Administration to permit the use of Highway Trust Fund dollars for the building of new toll highways and bridges.

Use of Highway Trust Fund revenues to fund the construction of toll highways is fundamentally wrong. Motorists pay fuel taxes in advance to pay for road construction; they should not be forced to pay tolls to fund that same construction.

Toll facilities are invariably self-perpetuating. In all too many cases from the East coast agreements to reduce or lift tolls have been ignored or even abrogated.

Increased use of toll financing is particularly wrong because of its many problems:

--Toll highways are too expensive. Presently 15 percent of toll revenues are needed for collection while only one percent of motor fuel taxes are devoted to collection.[1]

--This inefficiency of toll financing leads to excessive user fees. Toll charges commonly represent a gas tax of more than 40 cents a gallon in addition to existing federal and state motor fuel taxes.[2]

--Toll roads, bridges and tunnels are inherently time consuming and inconvenient for motorists to use.

--Toll highways in the same traffic corridors as toll-free roads usually mean those toll free roads have less maintenance and improvements than the toll highway.

AAA Washington believes the bottom line is this: Toll financing is a poor method of highway financing. Motorists should not be saddled with rapidly escalating toll charges just to perpetuate this outdated and inefficient form of road financing.

NATIONAL TRUCK DRIVER LICENSES

AAA Washington wishes to join with our parent organization, the American Automobile Association (AAA), calling for the establishment of national licensing procedures for drivers of large, combination vehicles.

Recent statistics gathered by the Washington State Patrol and shared with AAA Washington showed a staggeringly disproportionate share of large combination vehicle accidents and citations involved out-of-state operators. However, these operators simply ignored citations issued by the Washington State Patrol knowing full well once they were beyond Washington's borders those equipment violations and traffic citations are quite unenforceable.

A single truck driver's license would help insure that individuals receive adequate training in safely operating large trucks. We also believe that a national truck driver licensing system will help put an end to the practice of a truck driver obtaining licenses in several states, so that if one state license is revoked the driver simply operates using another license issued by another state. A national truck driver's license will help eliminate a portion of unsafe drivers from our nation's highways therby benefiting all highway user groups.

Footnotes

1. An Overview of Toll Road Financing -- Feasibility and Benefits. paper delivered by C. Michael Walton, Department of Civil Engineering and Center for Transportation Research, before the American Society of Civil Engineers Specialty Conference on "Shaping the Future of America's Highways," San Diego, April, 1985.

2. Toll Road Financing, A New Look at an Old Source of Funds for Highway Construction. paper delivered by Gerald V. Nielsten. Associate Member, ITE, Annual Meeting of Institute of Traffic Engineers. San Francisco, Sept. 1984.

NON-PROFIT: SERVING EASTERN WASHINGTON AND NORTHERN IDAHO MOTORISTS SINCE 1912

AAA INLAND AUTOMOBILE ASSOCIATION

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August 19, 1985

The Honorable Steve Symms, Chairman
Subcommittee on Transportation of the
Senate Committee on Environment & Public Works
United States Senate
410 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Symms:

We appreciate your invitation to testify at one of the field hearings to be held in Idaho next week and in September. As we will be unable to appear for oral comment, the following should be considered our testimony for the record:

The Federal Lands Highway Program: The heavy public use of federal parks and forest areas justifies the continued maintenance and rehabilitation of the access roads in those federal lands. Of particular concern are major routes which serve the national parks.

The 55-mile-per-hour speed limit: The high percentage of the nation's drivers which habitually exceed the 55-mph limit suggests the obvious - a careful consideration of the limit itself and changes in the method of determining compliance and points for Federal Compliance Standards. The National Research Council has recently made recommendations on the matter of point determination which among other suggestions, recommends graduated penalty points in relationship to speeds above the limit. We urge consideration of these recommendations.

Diversion of Highway User Fees for Non-Highway purposes: The traditional "pay-as-you-go" method of funding the nation's highway system depends on the security of the Highway Trust Fund. The willingness of the motoring public to pay the high Federal and State motor fuel taxes is likewise closely tied to the public belief the funds are protected from diversion to non-highway purpose. Diversion of highway funds should be resisted in every instance.

Completion of the Interstate highway systems: As completion of the original Interstate mileage nears, future considerations should be heavily weighed toward highways of national significance (Interstate and Primary highways and certain bridges), their maintenance and rehabilitation. Of particular concern is the Primary

System which carries an estimated 30% of the nation's traffic (more than the Interstate system) but has been neglected during this period of Interstate construction.

Responsibilities of the Federal, State and Local governments: The Federal role should concentrate on highway and bridge projects of national and regional interest, leaving state and local jurisdictions responsible for road and street needs in their various local areas.

Alternative methods of financing highway construction including toll financing: The AAA and most other responsible highway organizations have long opposed toll financing of highways. We continue to oppose. Of particular concern are proposals to use Highway Trust Funds to construct new "toll" highways or to convert highways built with motorist taxes to "toll" facilities. Toll financing is bad financing because (a) tolls are expensive, considering the 15% of toll revenues going into collection, (b) inefficiency of collection and maintenance guarantees "tolls" in perpetuity, (c) "toll" revenue is readily and routinely siphoned off for non-highway purposes.

Other Issues: The fiasco of the Interstate Cost Estimate legislation of the past several years clearly indicates a change in the ICE approval method is justified. When the entire nation's road system is harmed by the inability of the Congress to perform its responsibilities, a change is obviously needed. Congress should remove itself from the ICE authorization process, leaving that responsibility where it logically belongs...in the hands of the Secretary of Transportation.

Respectfully,
INLAND AUTOMOBILE ASSOCIATION

Dale F. Stedman,
President